Costar Technologies, Inc.
101 Wrangler Drive, Suite 201
Coppell, TX 75019

May 5, 2023

Dear Costar Stockholder:

You are cordially invited to attend a special meeting of stockholders, which we refer to as the “special meeting,” of Costar Technologies, Inc., which we refer to as “Costar,” to be held on Tuesday, May 30, 2023, at 10:00 a.m., Central time, at Costar’s principal executive offices, located at 101 Wrangler Drive, Suite 201, Coppell, TX 75019.

At the special meeting, you will be asked to consider and vote on a proposal to adopt and approve the Agreement and Plan of Merger, dated as of March 23, 2023, as it may be amended from time to time, which we refer to as the “merger agreement,” by and among Costar, IDIS Co., Ltd., an entity organized under the laws of Korea and which we refer to as “IDIS”, TPZ2023 Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of IDIS and which we refer to as “Merger Sub”, and Alan B. Howe, solely in his capacity as representative of the equityholders of Costar and whom we refer to as “Equityholders’ Representative”. We refer to the acquisition of Costar by IDIS as the “merger.” At the special meeting, you will also be asked to consider and vote on a proposal for the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

If the merger is completed, you will be entitled to receive an estimated $5.00 - $5.38 in cash, without interest, after and subject to the purchase price adjustments as set forth in the merger agreement, and further subject to any applicable withholding taxes, for each share of common stock that you own (unless you have properly exercised your appraisal rights). This represents a premium of approximately 4% - 12% over the closing price of Costar’s common stock on March 22, 2023, the last trading day prior to the public announcement of the merger, as quoted on the OTC Markets Group.

Costar’s Board of Directors, after considering the factors more fully described in the enclosed proxy statement, has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, Costar and its stockholders, and (2) approved and declared advisable the execution, delivery and performance of the merger agreement and the consummation of the merger.

Costar’s Board of Directors unanimously recommends that you vote (1) “FOR” the adoption and approval of the merger agreement; and (2) “FOR” the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

The enclosed proxy statement provides detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to this proxy statement.

This proxy statement also describes the actions and determinations of Costar's Board of Directors in connection with its evaluation of the merger agreement and the merger. We encourage you to read this proxy statement and its annexes, including the merger agreement, carefully and in their entirety, as they contain important information.

Whether or not you plan to attend the special meeting in person, please sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the internet or by telephone. If you attend the special meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted. If you fail to return your proxy or to attend the special meeting in person, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote against the adoption of the merger agreement.

If you hold your shares in "street name," you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your bank, broker or other nominee cannot vote on any of the proposals to be considered at the special meeting without your instructions. Without your instructions, your shares will not be counted for purposes of a quorum or voted at the meeting, and that will have the same effect as voting against the adoption of the merger agreement.

Your vote is very important, regardless of the number of shares that you own.

On behalf of Costar's Board of Directors, thank you for your support.

Very truly yours,

/s/ Scott Switzer

Scott Switzer
President and Chief Executive Officer

The accompanying proxy statement is dated May 5, 2023, and, together with the enclosed form of proxy card, is first being mailed on or about May 5, 2023.

Costar Technologies, Inc.
101 Wrangler Drive, Suite 201
Coppell, TX 75019

May 5, 2023

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON TUESDAY, MAY 30, 2023

Notice is hereby given that a special meeting of stockholders of Costar Technologies, Inc., a Delaware corporation (which we refer to as "Costar") will be held on Tuesday, May 30, 2023, at 10:00 a.m., Central time, at Costar's principal executive offices, located at 101 Wrangler Drive, Suite 201, Coppell, TX 75019, for the following purposes:

1. To consider and vote on the proposal to adopt and approve the Agreement and Plan of Merger, dated as of March 23, 2023, as it may be amended from time to time, by and among Costar, IDIS Co., Ltd., TPZ2023 Acquisition Corp., and Alan B. Howe, solely in his capacity as representative of the equityholders of Costar (this agreement is referred to as the "merger agreement");

2. To consider and vote on any proposal to adjourn the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting; and

3. To transact any other business that may properly come before the special meeting or any adjournment, postponement or other delay of the special meeting.

Only stockholders as of the close of business on March 31, 2023, are entitled to notice of the special meeting and to vote at the special meeting or any adjournment, postponement or other delay thereof.

Costar's Board of Directors unanimously recommends that you vote (1) "FOR" the adoption and approval of the merger agreement; and (2) "FOR" the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Costar stockholders who do not vote in favor of the proposal to adopt the merger agreement will have the right to seek appraisal of the "fair value" of their shares of common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger and together with interest (as described in the accompanying proxy statement) to be paid on the amount determined to be "fair value," in lieu of receiving the per share merger consideration if the merger is completed, as determined in accordance with Section 262 of the Delaware General Corporation Law (which we refer to as the "DGCL"), if they properly demand appraisal before the vote is taken on the merger agreement and comply with all other requirements of Delaware law, including Section 262 of the DGCL, which are summarized in the accompanying proxy statement, and if certain conditions are met. Section 262 of the

DGCL is reproduced in its entirety in Annex B to the accompanying proxy statement and is incorporated in this notice by reference.

Whether or not you plan to attend the special meeting in person, please sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or grant your proxy electronically over the internet or by telephone. If you attend the special meeting and vote in person by ballot, your vote will revoke any proxy that you have previously submitted.

If you hold your shares in “street name,” you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your bank, broker or other nominee cannot vote on any of the proposals to be considered at the special meeting without your instructions. Without your instructions, your shares will not be counted for purposes of a quorum or voted at the meeting, and that will have the same effect as voting against the adoption of the merger agreement.

By Order of the Board of Directors,

/s/ Scott Switzer

Scott Switzer
President and Chief Executive Officer

IMPORTANT INFORMATION

Whether or not you plan to attend the special meeting in person, we encourage you to submit your proxy as promptly as possible (1) over the internet; (2) by telephone; or (3) by signing and dating the enclosed proxy card and returning it in the accompanying prepaid reply envelope. You may revoke your proxy or change your vote at any time before your proxy is voted at the special meeting.

If your shares are held through a bank, broker or other nominee, you are considered the “beneficial owner” of shares of common stock held in “street name.” If you hold your shares in “street name,” you should instruct your bank, broker or other nominee how to vote your shares in accordance with the voting instruction form that you will receive from your bank, broker or other nominee. Your bank, broker or other nominee cannot vote on any of the proposals to be considered at the special meeting without your instructions. Without your instructions, your shares will not be counted for purposes of a quorum or voted at the meeting, and that will have the same effect as voting against the adoption and approval of the merger agreement.

If you are a stockholder of record, voting in person by ballot at the special meeting will revoke any proxy that you previously submitted. If you hold your shares through a bank, broker or other nominee, you must obtain a “legal proxy” from the bank, broker or other nominee that holds your shares in order to vote in person by ballot at the special meeting.

We encourage you to read the accompanying proxy statement and its annexes, including all documents incorporated by reference into the accompanying proxy statement, carefully and in their entirety.

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SUMMARY

Except as otherwise specifically noted in this proxy statement, "Costar," "we," "our," "us" and similar words refer to Costar Technologies, Inc., including, in certain cases, our subsidiaries. Throughout this proxy statement, we refer to the Costar Board of Directors as the "Costar Board." Throughout this proxy statement, we refer to IDIS Co., Ltd. as "IDIS", TPZ2023 Acquisition Corp. as "Merger Sub", and Alan B. Howe as "Equityholders' Representative". In addition, throughout this proxy statement we refer to the Agreement and Plan of Merger, dated as of March 23, 2023, as it may be amended from time to time, by and among Costar, IDIS, Merger Sub, and Equityholders' Representative as the "merger agreement." This summary highlights selected information from this proxy statement related to the proposed merger of Merger Sub (a wholly owned subsidiary of IDIS) with and into Costar (which we refer to as the "merger").

This proxy statement may not contain all of the information that is important to you. To understand the merger more fully and for a complete description of its legal terms, you should carefully read this proxy statement, including the annexes to this proxy statement and the other documents to which we refer in this proxy statement. A copy of the merger agreement is attached as Annex A to this proxy statement. We encourage you to read the merger agreement, which is the legal document that governs the merger, carefully and in its entirety.

Parties Involved in the Merger

Costar Technologies, Inc.

Costar develops, designs, manufactures, and distributes a range of security solution products including surveillance cameras, lenses, digital video recorders and high-speed domes. Costar also develops, designs, and distributes industrial vision products to observe repetitive production and assembly lines, thereby increasing efficiency by detecting faults in the production process. a&s magazine ranked Costar as the 40th largest company in its Security 50 for 2022, an annual ranking by the magazine of the world's largest security manufacturers in the areas of video surveillance, access control and intruder alarms, based on sales revenue.

Costar's common stock is quoted on the OTC Markets Group (which we refer to as the "OTC") under the symbol "CSTI." Costar's principal executive offices are located at 101 Wrangler Drive, Suite 201, Coppell, TX 75019, and its telephone number is (469) 635-6800.

IDIS Co., Ltd.

IDIS's common stock is traded on KOSDAQ under the symbol "143160." IDIS's principal executive offices are located at 8-10 Techno-3ro Yuseong-Gu, Daejeon, South Korea, 34012, and its telephone number is +82-31-723-5438.

IDIS is a public South Korean company with its principal place of business in Daejeon, South Korea, specializes in the design, development, and manufacturing of video surveillance solutions. IDIS's core business activities include the production of network cameras, recorders, video management software, and other related security products. IDIS provides end-to-end solutions that cater to a wide range of customers, including retail businesses and financial institutions. IDIS's products are known for their high-quality video capabilities, advanced analytics features, and ease of use.

TPZ2023 Acquisition Corp.

Merger Sub is a wholly owned subsidiary of IDIS and was formed on March 21, 2023, solely for the purpose of engaging in the transactions contemplated by the merger agreement. Merger Sub has not engaged in any business activities other than in connection with the transactions contemplated by the merger agreement.

Merger Sub's principal executive offices are located at c/o IDIS Co., Ltd., 801 Hammond Street Suite 200 Coppell, TX 75019.

Equityholders' Representative

Alan B. Howe will be the representative for the Costar equityholders in respect of certain matters that may arise after the consummation of the merger. Mr. Howe has served as a member of Costar's board of directors since 2019. Mr. Howe has served as a co-founder and the Managing Partner of Broadband Initiatives LLC, a boutique corporate advisory and strategic consulting firm, since 2001. Previously, he held various executive management positions at Covad Communications, Inc., Teletrac, Inc., Sprint PCS and Manufacturers Hanover Trust Company. Mr. Howe is an experienced public company director. He currently serves as a director of Babcock & Wilcox Enterprises, Inc. (NYSE: BW), NextNav Inc. (Nasdaq: NN), and Sonim Technologies, Inc. (Nasdaq: SONM). Mr. Howe received a Master's of Business Administration from the Kelley Business School at Indiana University and a Bachelor's of Science – Business Administration and Marketing from the University of Illinois.

Effect of the Merger

Upon the terms and subject to the conditions of the merger agreement, and in accordance with the DGCL, at the effective time of the merger, (1) Merger Sub will merge with and into Costar; (2) the separate corporate existence of Merger Sub will cease; and (3) Costar will continue as the surviving corporation in the merger and as a wholly owned subsidiary of IDIS. Throughout this proxy statement, we use the term "surviving corporation" to refer to Costar as the surviving corporation following the merger.

As a result of the merger, Costar will cease to be quoted on the OTC. If the merger is completed, you will not own any shares of capital stock of the surviving corporation as a result of the merger.

The time at which the merger becomes effective (which we refer to as the "effective time of the merger") will occur upon the filing of a certificate of merger with the Secretary of State of the State of Delaware (or at a later time as Costar and IDIS may agree and specify in such certificate of merger).

Effect on Costar if the Merger is Not Completed

If the merger agreement is not adopted by Costar stockholders, or if the merger is not completed for any other reason, Costar stockholders will not receive any payment for their shares of common stock in connection with the merger. Instead, (1) Costar will remain an independent company; and (2) Costar's common stock will continue to be quoted on the OTC.

Merger Consideration

Based on estimates of each component of the definition of Merger Consideration and the preliminary adjustments thereto required by the merger agreement, and solely for illustration purposes, it is estimated that the aggregate merger consideration will be approximately $8.2 million to $8.9 million payable to Costar equityholders. Pursuant to the terms of the merger agreement, it is currently estimated that IDIS will pay an aggregate of approximately $23.2 million to acquire Costar comprised of the following:

- IDIS will pay to the security holders of Costar the merger consideration estimated to be in the range of $5.00 - $5.38 per share, after and subject to the adjustments to the merger consideration set forth in the merger agreement, and less any applicable withholding taxes.

- IDIS will pay the transaction expenses and transaction payments on behalf of Costar, currently estimated to be approximately $1.1 million;

- IDIS will pay the $100,000 to the Equityholders' Representative fund; and

- IDIS will pay the amount of all outstanding indebtedness of Costar as of the effective time of the merger (currently expected to be approximately $13.0 million).

THIS AMOUNT IS BASED SOLELY ON ESTIMATES, PROJECTIONS AND APPROXIMATIONS AS OF THE DATE OF THIS PROXY STATEMENT THAT MAY NOT CAPTURE THE FULL EXTENT OF INDEBTEDNESS, TRANSACTION EXPENSES, TRANSACTION PAYMENTS, AND NET WORKING CAPITAL THAT WILL BE USED TO DETERMINE THE ACTUAL MERGER CONSIDERATION AS OF THE CLOSING.

Per Share Merger Consideration

Upon the terms and subject to the conditions of the merger agreement, at the effective time, each outstanding share of Costar's common stock (which we refer to as "common stock") (other than shares held by (1) Costar, IDIS, or IDIS's subsidiaries (including Merger Sub); or (2) stockholders who have properly exercised and perfected, and not withdrawn or otherwise lost, their appraisal rights under Delaware law) will be cancelled and automatically converted into the right to receive an estimated $5.00 - $5.38 in cash, without interest, after and subject to the adjustments to the merger consideration set forth in the merger agreement, and less any applicable withholding taxes. We refer to this amount as the "per share merger consideration." $100,000 of the merger consideration will be held in escrow to fund potential expenses of the Equityholders' Representative in carrying out his authorized duties on behalf of the Costar equityholders after the closing.

At or prior to the closing of the merger, a sufficient amount of cash will be deposited with a designated paying agent to pay the aggregate per share merger consideration. After the merger is completed, once a Costar stockholder has provided the paying agent with his, her or its stock certificates (or affidavit of loss in lieu of a stock certificate) or customary agent's message with respect to book-entry shares, letter of transmittal and the other items specified by the paying agent, the paying agent will promptly pay the stockholder the per share merger consideration. For more information, see the section of this proxy statement captioned "*The Merger Agreement—Paying agent, Exchange Fund and Exchange and Payment Procedures*."

After the merger is completed, you will have the right to receive the per share merger consideration, but you will no longer have any rights as a stockholder (except that Costar stockholders who properly and validly exercise and perfect, and do not validly withdraw or otherwise lose, their appraisal rights will have the right to receive a payment for the "fair value" of their shares as determined pursuant to an appraisal proceeding as contemplated by Delaware law, as described below under the section of this proxy statement captioned "*The Merger—Appraisal Rights*").

The Special Meeting

Date, Time and Place

A special meeting of Costar stockholders will be held on May 30, 2023, at 10:00 a.m., Central time, at Costar's principal executive offices, located at 101 Wrangler Drive, Suite 201, Coppell, TX 75019. We refer to the special meeting, and any adjournment, postponement or other delay of the special meeting, as the "special meeting."

Purpose

At the special meeting, we will ask stockholders to vote on proposals to (1) adopt and approve the merger agreement; and (2) adjourn the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Record Date; Shares Entitled to Vote

You are entitled to vote at the special meeting if you owned shares of common stock as of the close of business on March 31, 2023 (which we refer to as the "record date"). For each share of common stock that you owned as of the close of business on the record date, you will have one vote on each matter submitted for a vote at the special meeting.

Quorum

As of the record date, there were 1,649,165 shares of common stock outstanding and entitled to vote at the special meeting. The holders of a majority of the shares entitled to vote, present in person or represented by proxy, constitutes a quorum.

Required Vote

The proposals to be voted on at the special meeting require the following votes:

Proposal 1: Approval of the proposal to adopt and approve the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of common stock entitled to vote at the special meeting.

Proposal 2: Approval of the proposal to adjourn the special meeting to a later date or dates to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting requires the affirmative vote of holders of a majority of the shares of common stock present in person or represented by proxy at the special meeting and entitled to vote on the proposal.

Share Ownership of Our Directors, Executive Officers and Certain Stockholders

As of the record date, our directors, executive officers, certain other members of management, a former executive officer, and certain stockholders (including entities affiliated with MilFam LLC and Barington Capital Group, LP) owned and were entitled to vote, in the aggregate, 715,381 shares of common stock, representing approximately 43% of shares outstanding on the record date. The aforementioned individuals and stockholders have informed us that they intend to, and have entered into voting agreements with IDIS under which they have agreed to, vote all of their shares of common stock (1) "FOR" the adoption and approval of the merger agreement; and (2) "FOR" the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting. See "*The Merger-Voting Agreements*."

Voting and Proxies

Any stockholder of record entitled to vote at the special meeting may vote in one of the following ways:

(1) by proxy, by returning a signed and dated proxy card in the accompanying prepaid reply envelope;

(2) by proxy, by granting a proxy electronically over the internet or by telephone; or

(3) in person, by appearing at the special meeting and voting by ballot.

If you are a stockholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by (1) signing another proxy card with a later date and returning it prior to the special meeting; (2) submitting a new proxy electronically over the internet or by telephone after the date of the earlier submitted proxy; (3) delivering a written notice of revocation to our Corporate Secretary; or (4) attending the special meeting and voting in person by ballot.

If you are a beneficial owner and hold your shares of common stock in "street name" through a bank, broker or other nominee, you should instruct your bank, broker or other nominee on how you wish to vote your shares of common stock using the instructions provided by your bank, broker or other nominee. The proposals to be considered at the special meeting are non-routine matters, and banks, brokers and other nominees generally cannot

vote on these proposals without your instructions. Therefore, it is important that you cast your vote or instruct your bank, broker or nominee on how you wish to vote your shares.

If you hold your shares of common stock in "street name," you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person by ballot at the special meeting if you obtain a "legal proxy" from your bank, broker or other nominee giving you the right to vote your shares at the special meeting.

Recommendation of the Costar Board and Reasons for the Merger

The Costar Board, after considering various factors described in the section of this proxy statement captioned "The Merger—Recommendation of the Costar Board and Reasons for the Merger," has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, Costar and its stockholders, and (2) approved and declared advisable the execution, delivery and performance of the merger agreement and the consummation of the merger. The Costar Board unanimously recommends that you vote (1) "FOR" the adoption and approval of the merger agreement; and (2) "FOR" the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt and approve the merger agreement at the time of the special meeting.

Treatment of Equity Awards in the Merger

The merger agreement provides that at the effective time of the merger, each option to purchase shares of Costar common stock (which we refer to as a "company option") outstanding and unexercised immediately prior to the effective time of the merger, whether vested or unvested, will, be cancelled and converted into a right to receive an amount in cash, without interest, equal to the product obtained by multiplying (1) the per share closing merger consideration less the exercise price per share attributable to such company option by (2) the total number of shares of common stock underlying such company option. We refer to this amount as the "option consideration." The payment of the option consideration will be subject to any applicable withholding taxes.

With respect to any company options for which the exercise price per share attributable to such company options is equal to or greater than the per share merger consideration, such company options will be cancelled without any cash payment being made in exchange for such cancellation.

Interests of Costar's Directors and Executive Officers in the Merger

When considering the recommendation of the Costar Board that you vote to approve the proposal to adopt the merger agreement, you should be aware that our directors and executive officers may have interests in the merger that are different from, or in addition to, your interests as a stockholder. In (1) evaluating and negotiating the merger agreement, (2) approving the merger agreement and the merger and (3) recommending that the merger agreement be adopted by Costar stockholders, the Costar Board was aware of and considered these interests to the extent that they existed at the time, among other matters. These interests include the following:

- the entitlement of each executive officer to receive payments and benefits pursuant to certain agreements entered into prior to the commencement of discussions or negotiations regarding the merger if, within the applicable period following the merger, the executive officer experiences a qualifying termination of his or her employment

- the entitlement of each executive officer to receive cash payments upon the successful completion of the merger.

See the section of this proxy statement captioned "*The Merger—Interests of Costar's Directors and Executive Officers in the Merger*."

If the proposal to adopt the merger agreement is approved, the common stock held by our directors and executive officers will be treated in the same manner as the common stock held by all other stockholders. For more information, see the section of this proxy statement captioned "The Merger—Interests of Costar's Directors and Executive Officers in the Merger."

Voting Agreements

As a condition and inducement to IDIS's and Merger Sub's willingness to enter into the merger agreement and to consummate the merger, IDIS has entered into Voting Agreements with current directors, officers, and certain large stockholders of Costar. See "*The Merger-Voting Agreements.*

Appraisal Rights

Stockholders and certain "beneficial owners" who do not vote in favor of the Merger Proposal and who otherwise meet the requirements of Section 262 of the General Corporation Law of the State of Delaware, or the DGCL, will have the right to seek appraisal of the fair value of their shares of Costar common stock, as determined in accordance with Section 262 of the DGCL. In addition to not voting in favor of the Merger Proposal, any stockholder or "beneficial owner" (as defined in Section 262 of the DGCL) wishing to exercise its appraisal rights must deliver a written demand for appraisal to Costar before the vote on the Merger Proposal and must comply in all respects with the requirements of Section 262 of the DGCL, which are summarized on p. 27 of this proxy statement. A copy of Section 262 of the DGCL may be accessed without subscription or cost at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262.

Material U.S. Federal Income Tax Considerations of the Merger

For U.S. federal income tax purposes, the receipt of cash by a U.S. Holder (as defined under the section of this proxy statement captioned "*The Merger—Material U.S. Federal Income Tax Considerations of the Merger*") in exchange for such U.S. Holder's shares of common stock in the merger generally will result in the recognition of gain or loss in an amount measured by the difference, if any, between the amount of cash that such U.S. Holder receives in the merger and such U.S. Holder's adjusted tax basis in the shares of common stock surrendered in the merger.

A Non-U.S. Holder (as defined under the section of this proxy statement captioned "*The Merger—Material U.S. Federal Income Tax Considerations of the Merger*") generally will not be subject to U.S. federal income tax with respect to the exchange of common stock for cash in the merger unless such Non-U.S. Holder has certain connections to the United States.

For more information, see the section of this proxy statement captioned "*The Merger—Material U.S. Federal Income Tax Consequences of the Merger*." Stockholders should consult their own tax advisors concerning the U.S. federal income tax consequences relating to the merger in light of their particular circumstances and any consequences arising under U.S. federal income tax laws or the laws of any state, local or non-U.S. taxing jurisdiction.

Costar Covenants

Under the terms of the merger agreement, from the date of the merger agreement until the effective time of the merger (or the earlier termination of the merger agreement), Costar agreed to certain interim operating covenants, including, without limitation:

- with respect to the conduct of the Costar business pending the merger;
- to call, give notice of and hold, as promptly as practicable, this special meeting;
- to conduct Costar's audit of its financial statements for fiscal 2022; and
- to cease certain activities relating to solicitation of an alternative acquisition proposal.

For more information, see the section of this proxy statement captioned "*The Merger*."

Conditions to the Closing of the Merger

The obligations of IDIS, Merger Sub and Costar, as applicable, to consummate the merger, are subject to the satisfaction or waiver (where permitted by applicable law) of certain conditions, including the following:

- the adoption of the merger agreement by the requisite affirmative vote of Costar stockholders;
- approval from the Committee on Foreign Investment in the United States ("CFIUS") with respect to the Merger;
- the accuracy of the representations and warranties of Costar, on the one hand, and of IDIS and Merger Sub, on the other hand, in the merger agreement, subject in some instances to materiality or "material adverse effect" qualifiers, at and as of the effective date of the merger (except for representations and warranties that expressly relate to a specific date or time);
- the performance or compliance in all material respects by Costar, on the one hand, and IDIS and Merger Sub, on the other hand, of or with their respective obligations, covenants and agreements required to be performed or complied with by them under the merger agreement on or before the effective time of the merger; and
- the closing indebtedness (as defined in the merger agreement) is not greater than $13.3 million;

- Costar will have delivered to IDIS its 2022 audited financial statements and such financial statements will not contain results that are materially and adversely different from Costar's 2022 unaudited financial statements; and

- since the date of the merger agreement, there not having occurred a Company Material Adverse Effect (as defined in the merger agreement).

In addition to obtaining such stockholder approval and appropriate regulatory approvals, each of the other closing conditions set forth in the merger Agreement must be satisfied or waived. For more information, see the section of this proxy statement captioned "*The Merger – Conditions to the Closing of the Merger*."

Termination of the Merger Agreement

Either Costar or IDIS can terminate the merger agreement under certain circumstances, which would prevent the merger from being consummated.

FORWARD-LOOKING STATEMENTS

This proxy statement, the documents to which we refer you in this proxy statement and information included in oral statements or other written statements made or to be made by us or on our behalf contain "forward-looking statements" that do not directly or exclusively relate to historical facts. You can typically identify forward-looking statements by the use of forward-looking words, such as "may," "should," "could," "project," "believe," "anticipate," "expect," "estimate," "continue," "potential," "plan," "forecast" and other words of similar import. Stockholders are cautioned that any forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements. These risks and uncertainties include, but are not limited to, and the following factors:

- the inability to complete the merger due to the failure of Costar stockholders to adopt the merger agreement or failure to satisfy the other conditions to the completion of the merger;

- the risk that the merger agreement may be terminated in circumstances that require us to pay a termination fee of approximately $700,000 or obligate us to reimburse up to $300,000 of IDIS's expenses;

- the outcome of any legal proceedings that may be instituted against us and others related to the merger agreement;

- risks that the merger affects our ability to retain or recruit employees;

- the fact that receipt of the all-cash per share merger consideration will be taxable to Costar stockholders that are treated as U.S. holders for U.S. federal income tax purposes;

- the fact that, if the merger is completed, Costar stockholders will forego the opportunity to realize the potential long-term value of the successful execution of Costar's current strategy as an independent company;

- the possibility that Costar could, at a later date, engage in unspecified transactions, including restructuring efforts, special dividends or the sale of some or all of Costar's assets to one or more as yet unknown purchasers, that could conceivably produce a higher aggregate value than that available to Costar stockholders in the merger;

- the fact that under the terms of the merger agreement, Costar is unable to solicit other acquisition proposals during the pendency of the merger;

- the effect of the announcement or pendency of the merger on our business relationships, customers, operating results and business generally, including risks related to the diversion of the attention of Costar management or employees during the pendency of the merger;

- the amount of the costs, fees, expenses and charges related to the merger agreement or the merger;

- the risk that the proposed merger will not be consummated in a timely manner, exceeding the expected costs of the merger;
- the risk that our stock price may decline significantly if the merger is not completed; and
- risks related to obtaining the requisite stockholder consent to the merger.

Consequently, all of the forward-looking statements that we make in this proxy statement are qualified by the information contained or incorporated by reference in this proxy statement. No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements.

Except as required by applicable law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. Stockholders are advised to consult any future disclosures that we make on related subjects.

THE SPECIAL MEETING

This proxy statement is being provided to Costar stockholders as part of a solicitation by the Costar Board of proxies for use at the special meeting.

Date, Time and Place

We will hold the special meeting on May 30, 2023, at 10:00 a.m., Central time, at our principal executive offices, located at 101 Wrangler Drive, Suite 201, Coppell, TX 75019.

Purpose of the Special Meeting

At the special meeting, we will ask stockholders to vote on proposals to (1) adopt and approve the merger agreement; and (2) adjourn the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Record Date; Shares Entitled to Vote; Quorum

Only Costar stockholders as of the close of business on the record date are entitled to notice of, and to vote at, the special meeting. A list of stockholders of record entitled to vote at the special meeting will be available at our principal executive offices located at 101 Wrangler Drive, Suite 201, Coppell, TX 75019, during regular business hours for a period of no less than 10 days before the special meeting.

As of the record date, there were 1,649,165 shares of common stock outstanding and entitled to vote at the special meeting. Each share of common stock is entitled to one vote per share on each matter properly brought before the special meeting.

The holders of a majority of the shares entitled to vote, present in person or represented by proxy, constitutes a quorum.

Vote Required; Abstentions and Broker Non-Votes

Approval of the proposal to adopt the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of common stock entitled to vote on the proposal. Adoption of the merger agreement by Costar's stockholders is a condition to the closing of the merger.

Approval of the proposal to adjourn the special meeting to a later date or dates to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting requires the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy at the special meeting and entitled to vote on the proposal.

If a stockholder abstains from voting, that abstention will have the same effect as if the stockholder voted: (1) “AGAINST” the proposal to adopt and approve the merger agreement; and (2) “AGAINST” any proposal to adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

A “broker non-vote” generally occurs when a bank, broker or other nominee holding shares on your behalf does not vote on a proposal because the bank, broker or other nominee has not received your voting instructions and lacks discretionary power to vote your shares. We do not expect any “broker non-votes” at the special meeting, but if there are any, they will be counted for the purpose of determining whether a quorum is present. If there are broker non-votes, each broker non-vote will count as a vote “AGAINST” the proposal to adopt the merger agreement but will have no effect on the proposal to adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Shares Held by Costar’s Directors, Executive Officers and Certain Shareholders

As of the record date, our directors, executive officers, certain other members of management, a former executive officer, and certain stockholders (including entities affiliated with MilFam LLC and Barington Capital Group, LP) owned and were entitled to vote, in the aggregate, 715,381 shares of common stock, representing approximately 43% of shares outstanding on the record date. Such individuals and stockholders have informed us that they intend to vote all of their shares of common stock: (1) “**FOR**” the adoption of the merger agreement; and (2) “**FOR**” the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Voting of Proxies

If your shares are registered in your name with our transfer agent, Computershare Inc., you may vote your shares by returning a signed and dated proxy card in the accompanying prepaid reply envelope, or you may vote in person by ballot at the special meeting. Additionally, you may grant a proxy electronically over the internet or by telephone by following the instructions on your proxy card. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to grant a proxy electronically over the internet or by telephone. Based on your proxy cards or internet and telephone proxies, the proxy holders will vote your shares according to your directions.

If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the special meeting. Stockholders will need to present proof of ownership of shares of common stock, such as a bank or brokerage account statement, and a form of personal identification to be admitted to the special meeting. If your shares are registered in your name, you are encouraged to vote by proxy even if you plan to attend the special meeting in person. If you attend the special meeting and vote in person by ballot, your vote will revoke any previously submitted proxy.

All shares represented by properly signed and dated proxies received will, if received before the special meeting, be voted at the special meeting in accordance with the instructions of the stockholder. Properly signed and dated

proxies that do not contain voting instructions will be voted: (1) "FOR" adoption of the merger agreement; (2) and "FOR" the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

If your shares are held in "street name" through a bank, broker or other nominee, you may vote through your bank, broker or other nominee by completing and returning the voting instruction form provided by your bank, broker or other nominee. You may also attend the special meeting and vote in person by ballot if you have a "legal proxy" from your bank, broker or other nominee giving you the right to vote your shares at the special meeting. If available, you may vote over the internet or telephone through your bank, broker or other nominee by following the instructions on the voting instruction form provided by your bank, broker or other nominee. If you do not (1) return your bank's, broker's or other nominee's voting instruction form; (2) vote over the internet or by telephone through your bank, broker or other nominee, if possible; or (3) attend the special meeting and vote in person with a "legal proxy" from your bank, broker or other nominee, it will have the same effect as if you voted "AGAINST" the proposal to adopt the merger agreement. It will not have any effect on the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Revocability of Proxies

If you are a stockholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

- signing another proxy card with a later date and returning it to us prior to the special meeting;
- submitting a new proxy electronically over the internet or by telephone after the date of the earlier submitted proxy;
- delivering a written notice of revocation to our Corporate Secretary; or
- attending the special meeting and voting in person by ballot.

If you have submitted a proxy, your appearance at the special meeting, in the absence of voting in person or submitting an additional proxy or revocation, will not have the effect of revoking your prior proxy.

If you hold your shares of common stock in "street name," you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a "legal proxy" from your bank, broker or other nominee giving you the right to vote your shares at the special meeting.

Any adjournment, postponement or other delay of the special meeting, including for the purpose of soliciting additional proxies, will allow Costar stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned, postponed or delayed.

The Costar Board's Recommendation

The Costar Board, after considering various factors described in the section of this proxy statement captioned "The Merger—Recommendation of the Costar Board and Reasons for the Merger," has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, Costar and its stockholders, and (2) approved and declared advisable the execution, delivery and performance of the merger agreement and the consummation of the merger.

The Costar Board unanimously recommends that you vote (1) "FOR" the adoption of the merger agreement; and (2) "FOR" the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Adjournment

In addition to the proposals to adopt the merger agreement, Costar stockholders are also being asked to approve a proposal to adjourn the special meeting to a later date or dates, if necessary or appropriate, to solicit additional votes or proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of the special meeting to approve the merger agreement. If a quorum is not present, the chairperson of the special meeting or the stockholders entitled to vote at the special meeting, present in person or represented by proxy, may adjourn the special meeting, from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. In addition, the special meeting could be postponed before it commences, subject to the terms of the merger agreement. If the special meeting is adjourned or postponed, Costar stockholders who have already submitted their proxies will be able to revoke them at any time before they are voted at the special meeting.

Anticipated Date of Completion of the Merger

We currently expect to complete the merger in 2023. However, the exact timing of completion of the merger, if at all, cannot be predicted because the merger is subject to the closing conditions specified in the merger agreement, many of which are outside of our control.

Appraisal Rights

Record holders and "beneficial owners" (as defined in Section 262 of the DGCL) of shares of common stock who have not voted in favor of the Merger, have properly demanded appraisal rights for such shares in accordance with Section 262 of the DGCL and have complied in all respects with Section 262 of the DGCL with respect to such Dissenting Shares will be entitled to statutory appraisal rights pursuant to Section 262 of the DGCL in connection with the Merger. This means that such stockholders and beneficial owners are entitled to seek appraisal of their Dissenting Shares and, if all requirements of Section 262 are met, to receive payment in cash for the "fair value" of such Dissenting Shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, as determined by the Delaware Court of Chancery, together with interest, if any, to be paid upon the amount determined to be the fair value. The ultimate amount any such holders and beneficial owners receive in an appraisal

proceeding may be less than, equal to or more than the amount they would have received under the Merger Agreement. For a description of the rights of holders of Dissenting Shares and of the procedures to be followed in order to assert such rights and obtain payment of the fair value of such Dissenting Shares, see Section 262 of the DGCL, which may be accessed without subscription or cost at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262, as well as the information set forth below.

IN ORDER TO PROPERLY EXERCISE YOUR APPRAISAL RIGHTS IN CONNECTION WITH THE MERGER FOR ANY SHARES OF COMMON STOCK, A RECORD HOLDER OR BENEFICIAL OWNER OF SUCH SHARES MUST DELIVER A WRITTEN DEMAND FOR APPRAISAL IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 262 OF THE DGCL TO COSTAR BEFORE THE VOTE IS TAKEN ON THE ADOPTION OF THE MERGER AGREEMENT AT THE SPECIAL MEETING, AND MUST NOT VOTE SUCH SHARES, IN PERSON OR BY PROXY (AND MUST ENSURE THAT SUCH SHARES ARE NOT VOTED), IN FAVOR OF THE MERGER PROPOSAL AND CONTINUE TO HOLD (OR, IN THE CASE OF A BENEFICIAL OWNER DEMANDING APPRAISAL, BENEFICIALLY OWN) YOUR SHARES OF COSTAR COMMON STOCK OF RECORD FROM THE DATE OF MAKING THE DEMAND FOR APPRAISAL THROUGH THE EFFECTIVE TIME OF THE MERGER AND MUST COMPLY WITH THE OTHER REQUIREMENTS OF SECTION 262 OF THE DGCL. MERELY VOTING AGAINST THE MERGER PROPOSAL WILL NOT PRESERVE YOUR RIGHT TO APPRAISAL UNDER SECTION 262 OF THE DGCL. BECAUSE A PROXY THAT IS SIGNED AND SUBMITTED BUT DOES NOT OTHERWISE CONTAIN VOTING INSTRUCTIONS WILL, UNLESS REVOKED, BE VOTED IN FAVOR OF THE ADOPTION OF THE MERGER AGREEMENT, IF YOU SUBMIT A PROXY AND WISH TO EXERCISE YOUR APPRAISAL RIGHTS, YOU MUST INCLUDE VOTING INSTRUCTIONS TO VOTE YOUR SHARES OF COSTAR COMMON STOCK AGAINST, OR ABSTAIN WITH RESPECT TO, THE ADOPTION OF THE MERGER AGREEMENT. NEITHER VOTING AGAINST THE ADOPTION OF THE MERGER AGREEMENT, NOR ABSTAINING FROM VOTING OR FAILING TO VOTE ON THE MERGER PROPOSAL, WILL IN AND OF ITSELF CONSTITUTE A WRITTEN DEMAND FOR APPRAISAL SATISFYING THE REQUIREMENTS OF SECTION 262 OF THE DGCL. THE WRITTEN DEMAND FOR APPRAISAL MUST BE IN ADDITION TO AND SEPARATE FROM ANY PROXY OR VOTE ON THE ADOPTION OF THE MERGER AGREEMENT. IN VIEW OF THE COMPLEXITY OF THE DGCL, STOCKHOLDERS AND BENEFICIAL OWNERS WHO MAY WISH TO PURSUE APPRAISAL RIGHTS SHOULD PROMPTLY CONSULT THEIR LEGAL AND FINANCIAL ADVISORS.

Other Matters

At this time, we know of no other matters to be voted on at the special meeting. If any other matters properly come before the special meeting, your shares of common stock will be voted in accordance with the discretion of the appointed proxy holders.

THE MERGER

The rights and obligations of the parties to the merger agreement are governed by the specific terms and conditions of the merger agreement and not by any summary or other information in this proxy statement. Therefore, this discussion of the merger is qualified in its entirety by reference to the merger agreement, a copy of which is attached as Annex A to this proxy statement and incorporated into this proxy statement by reference. You should read the entire merger agreement carefully as it is the legal document that governs the merger.

Parties Involved in the Merger

Costar Technologies, Inc.

Costar develops, designs, manufactures, and distributes a range of security solution products including surveillance cameras, lenses, digital video recorders and high-speed domes. Costar also develops, designs, and distributes industrial vision products to observe repetitive production and assembly lines, thereby increasing efficiency by detecting faults in the production process. a&s magazine ranked Costar as the 40th largest company in its Security 50 for 2022, an annual ranking by the magazine of the world's largest security manufacturers in the areas of video surveillance, access control and intruder alarms, based on sales revenue.

Costar's common stock is quoted on the OTC Markets Group (which we refer to as the "OTC") under the symbol "CSTI." Costar's principal executive offices are located at 101 Wrangler Drive, Suite 201, Coppell, TX 75019, and its telephone number is (469) 635-6800.

IDIS Co., Ltd.

IDIS's common stock is traded on KOSDAQ under the symbol "143160." IDIS's principal executive offices are located at 8-10 Techno-3ro Yuseong-Gu, Daejeon,, South Korea, and its telephone number is +82-31-723-5438.

IDIS is a public South Korean company with its principal place of business in Daejeon, South Korea, specializes in the design, development, and manufacturing of video surveillance solutions. IDIS's core business activities include the production of network cameras, recorders, video management software, and other related security products. IDIS provides end-to-end solutions that cater to a wide range of customers, including retail businesses and financial institutions. IDIS's products are known for their high-quality video capabilities, advanced analytics features, and ease of use.

TPZ2023 Acquisition Corp.

Merger Sub is a wholly owned subsidiary of IDIS and was formed on March 21, 2023, solely for the purpose of engaging in the transactions contemplated by the merger agreement. Merger Sub has not engaged in any business activities other than in connection with the transactions contemplated by the merger agreement.

Merger Sub's principal executive offices are located at c/o IDIS Co., Ltd., 801 Hammond Street Suite 200 Coppell, TX 75019.

Equityholders' Representative

Alan B. Howe will be the representative for the Costar equityholders in respect of certain matters that may arise after the consummation of the merger. Mr. Howe has served as a member of Costar's board of directors since 2019. Mr. Howe has served as a co-founder and the Managing Partner of Broadband Initiatives LLC, a boutique corporate advisory and strategic consulting firm, since 2001. Previously, he held various executive management positions at Covad Communications, Inc., Teletrac, Inc., Sprint PCS and Manufacturers Hanover Trust Company. Mr. Howe is an experienced public company director. He currently serves as a director of Babcock & Wilcox Enterprises, Inc. (NYSE: BW), NextNav Inc. (Nasdaq: NN), and Sonim Technologies, Inc. (Nasdaq: SONM). Mr. Howe received a Master's of Business Administration from the Kelley Business School at Indiana University and a Bachelor's of Science – Business Administration and Marketing from the University of Illinois.

Effect of the Merger

Upon the terms and subject to the conditions of the merger agreement, and in accordance with the DGCL, at the effective time of the merger, (1) Merger Sub will merge with and into Costar; (2) the separate corporate existence of Merger Sub will cease; and (3) Costar will continue as the surviving corporation in the merger and a wholly owned subsidiary of IDIS.

As a result of the merger, Costar will cease to quoted on the OTC. If the merger is completed, you will not own any shares of capital stock of the surviving corporation.

The effective time of the merger will occur upon the filing of a certificate of merger with, and acceptance of that certificate by, the Secretary of State of the State of Delaware (or at a later time as we and IDIS may agree and specify in such certificate of merger).

Effect on Costar if the Merger is Not Completed

If the merger agreement is not adopted by Costar stockholders, or if the merger is not completed for any other reason, Costar stockholders will not receive any payment for their shares of common stock in connection with the merger. Instead, (1) Costar will remain an independent company; and (2) Costar's common stock will continue to be quoted on the OTC. In addition, if the merger is not completed, we expect that: (1) Costar's management will operate the business in a manner similar to that in which it is being operated today; and (2) Costar stockholders will continue to be subject to the same risks and opportunities to which they are currently subject, including risks related to the highly competitive industry in which Costar operates and adverse economic conditions.

In addition, as further described in this proxy statement, Costar has been unable to secure additional financing and is operating under a forbearance and loan modification agreement, pursuant to which Costar's lender, UMB Bank, forbore from exercising its rights and remedies under Costar's loan documents relating to defaults by Costar. The forbearance period currently expires on the earlier to occur of June 1, 2023, or the date of a forbearance termination event (as defined in the agreement). While Costar is in the process of negotiating an extension of the forbearance period to July 1, 2023, there can be no assurance that Costar will be able to obtain additional financing, that the

forbearance period will be further extended, or that Costar will be able to pay its outstanding debt as it becomes due.

Furthermore, if the merger is not completed, and depending on the circumstances that caused the merger not to be completed, the price of Costar's common stock may decline significantly. If that were to occur, it is uncertain when, if ever, the price of Costar's common stock would return to the price at which it trades as of the date of this proxy statement.

Accordingly, if the merger is not completed, there can be no assurance as to the effect of the merger not being completed on the future value of your shares of common stock. If the merger is not completed, the Costar Board will continue to evaluate and review, among other things, Costar's business, operations, strategic direction and capitalization, and will make whatever changes it deems appropriate. If the merger agreement is not adopted by Costar stockholders or if the merger is not completed for any other reason, Costar's business, prospects or results of operation may be adversely impacted.

Per Share Merger Consideration

Pursuant to the terms of the merger agreement, IDIS will pay to the Costar securityholders the aggregate "Closing Merger Consideration" equal to: (a) $6.20 per share multiplied by the outstanding Total Stock at the Effective Time (the Target Merger Consideration, which is anticipated to be approximately $10.4 million); less (b) the sum of: (i) the amount of transaction expenses and transaction payments not paid prior to the Closing (which are anticipated to be approximately $1.1 million), and (ii) the Equityholders' representative fund of $100,000. In addition, the Closing Merger Consideration will be further increased or decreased based on whether the closing Net Working Capital is greater or less than $14.5 million, and further increased or decreased based on whether the closing indebtedness is greater or less than $13.0 million. Total Stock is calculated as the aggregate of (i) the outstanding shares of common stock, plus (ii) the aggregate number of shares of common stock issuable upon the net exercise of Costar's options that are vested, outstanding and exercisable immediately prior to the Effective Date. The final amount of the Closing Merger Consideration will be determined in accordance with the Merger Agreement at the Effective Time based on a closing statement to be prepared by Costar and delivered to Buyer. As a result of the adjustments to the Closing Merger Consideration, increases in our working capital and decreases in our bank indebtedness during the period between signing the Merger Agreement and the Effective Time will increase the Closing Merger Consideration, while any decreases in our working capital or increases in our bank indebtedness will decrease the Closing Merger Consideration.

Upon the terms and subject to the conditions of the merger agreement, at the effective time of the merger:

- each share of common stock that is (1) held by Costar as treasury stock; (2) owned by IDIS or Merger Sub; or (3) owned by any direct or indirect wholly owned subsidiary of Costar, IDIS or Merger Sub as of immediately prior to the effective time of the merger (which we refer to as the "Owned Company Shares") will be cancelled and extinguished without any conversion thereof or consideration paid therefor; and

- each share of common stock that is issued and outstanding as of immediately prior to the effective time of the merger (other than Owned Company Shares and shares of common stock held by Costar stockholders who have (1) neither voted in favor of the adoption of the merger agreement nor consented thereto in writing; and (2) properly and validly exercised their statutory rights of appraisal in respect of such shares in accordance with the Delaware law) will be cancelled and extinguished and automatically converted into the right to receive cash in an amount equal to the Closing Merger Consideration on a per share basis, without interest thereon, and further subject to any applicable withholding taxes.

At or prior to the closing of the merger, a sufficient amount of cash will be deposited with a designated paying agent to pay the aggregate per share merger consideration. Following the closing, once a Costar stockholder has provided the paying agent with his, her or its stock certificates (or affidavit of loss in lieu of a stock certificate) or customary agent's message with respect to book-entry shares, letter of transmittal and other items specified by the paying agent, the paying agent will promptly pay the stockholder its per share merger consideration.

After the merger is completed, each Costar stockholder will have the right to receive its per share merger consideration, but will no longer have any rights as a Costar stockholder (except that Costar stockholders who properly and validly exercise and perfect, and do not validly withdraw or subsequently lose, their appraisal rights will have the right to receive payment for the "fair value" of their shares, determined pursuant to an appraisal proceeding contemplated by Delaware law as described below under the section of this proxy statement captioned "*The Merger—Appraisal Rights*").

Background of the Merger

As part of its ongoing evaluation of Costar's business, the Costar Board, together with senior management, continually reviews and assesses opportunities to increase stockholder value, to improve Costar's operations and financial results and to achieve the Costar's long-term business plan. These reviews have included consideration, from time to time, of potential partnerships, collaborations and other strategic transactions to enhance stockholder value, including potential sale transactions.

Costar's management team and the Costar Board periodically meet with representatives of investment banking firms to discuss their views on: (i) current market conditions; (ii) Costar's market valuation relative to its key competitors; and (iii) utilizing Costar's capital structure to increase stockholder value.

Since March 2019, the Costar Board has been discussing potential strategic alternatives that could ultimately lead to a liquidity event for Costar stockholders. After interviewing several investment banks in November 2019, Costar retained Imperial Capital, an investment bank ("Imperial") in connection with pursuing a potential sale of Costar due to, among other things, their extensive experience in Costar's industry and their familiarity with Costar's business and strategic objectives.

After its retention by Costar, Imperial and the Company coordinated an extensive process in an effort to maximize stockholder value, as follows:

- Beginning in January 2020, Imperial contacted 147 potential financial and strategic buyers. Of these, Imperial formally contacted 15 strategic buyers and had informal contact with over 20 private equity firms, amongst the other potential buyers.

- In December 2020, representatives of Party A, a potential strategic acquiror ("Party A"), indicated that Party A was interested in a potential transaction involving Costar. In December, 2020, Costar and Party A entered into a confidentiality agreement, containing customary nondisclosure and nonuse provisions. Over the course of May 2021 to May 2022, Party A conducted legal, operational and financial due diligence and conducted meetings with Costar's senior management team, including on-site visits. In August 2021, Party A delivered a letter of intent to acquire Costar. Between November 2021, and May 2022, Party A and Costar began negotiating a definitive transaction agreement whereby Party A would acquire Costar. In May 2022, discussions with representatives of Party A regarding a potential transaction involving Costar terminated due to Party A's other competing priorities.

- Buyer has been an Original Design Manufacturer (ODM) supplier for Costar since it began its security business, and has been Costar's largest supplier for the majority of the years Costar has been in business.

- In or around April 2022, James Pritchett, the former chief executive officer of Costar, began communicating with IDIS regarding a potential sale of Costar.

- Mr. Mack contacted the M&A Committee of the Board and it was agreed that there should be appropriate follow-up with IDIS representatives to determine their level of interest.

- In August 2022, Mr. Pritchett contacted John Mack, Executive Vice President, Co-Head of Investment Banking and Head of Mergers & Acquisitions at Imperial, regarding IDIS' potential interest in Costar.

- In September 2022, Costar and IDIS entered into a non-disclosure agreement in connection with communications regarding a potential sale of Costar.

- From December 2022 through March 2023, IDIS conducted legal, operational and financial due diligence and conducted meetings with the Company's senior management team, including on-site visits.

- On December 8, 2022, IDIS delivered a letter of intent to acquire Costar.

- From December 23, 2022, through March 23, 2023, DLA Piper LLP (US), Costar's counsel ("*DLA*"), and McMillan LLP, IDIS' counsel, exchanged several drafts of the merger agreement and negotiated all legal issues. Further, during such time, the Costar Board met several times both formally and informally via conference telephone to discuss the ongoing process of negotiations.

- During the course of the negotiation of the final form of the merger agreement, the Costar Board convened a meeting on March 20, 2023. Imperial made a presentation to the Costar Board addressing the financial terms of the proposed transaction. In addition, the Costar Board engaged in a detailed review of the terms of the merger agreement and obtained legal advice from DLA. The Costar Board then considered the positive and negative factors and risks in connection with the proposed Merger. After deliberation and discussion, the Costar Board reaffirmed its determination that a sale of Costar to IDIS on the terms outlined in the definitive merger agreement was in the best interests of Costar and its stockholders, including when compared to the continuation of Costar as an independent operating company (including the risks related to continuing to operate under the Forbearance Agreement with UMB described below) which would entail substantial operating risks as a much smaller competitor in its marketplace than as an entity affiliated with the capital and resources of IDIS, and further determined that the merger and the merger agreement and the other transactions contemplated thereby were advisable and fair to, and in the best interests of, the Company and its stockholders and that the consideration contemplated by the Merger was fair to the Company stockholders from a financial point of view.

- On the afternoon of March 23, 2023, Costar and IDIS executed the Merger Agreement.

Recommendation of the Costar Board and Reasons for the Merger

Recommendation of the Costar Board

The Costar Board has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, Costar and its stockholders, and (2) approved and declared advisable the execution, delivery and performance of the merger agreement and the consummation of the merger.

The Costar Board unanimously recommends that you vote (1) "FOR" the adoption and approval of the merger agreement; and (2) "FOR" the adjournment of the special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

Reasons for the Merger

In evaluating the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Costar Board consulted with Costar management, Imperial Capital, and outside legal counsel. In recommending that Costar stockholders vote "FOR" the adoption of the merger agreement, the Costar Board considered a number of factors, including the following (which factors are not necessarily presented in order of relative importance):

- the fact that the purchase price is payable entirely in cash;

- the fact that the Buyer provided no financing conditions in order to satisfy the purchase price of the merger;

- the ability to consummate the merger in a relatively short period of time following the signing of the merger agreement with minimal operational limitations imposed by IDIS;

- management's view of the Costar's current and historical financial condition, results of operation and business and Costar's ability to continue as a stand-alone business;

- the fact that Costar was unable to secure alternate financing and had been operating under a forbearance and loan modification agreement. In connection with certain defaults on loans, Costar and certain subsidiaries of Costar (collectively, the "Borrowers") entered into a forbearance and loan modification agreement (the "Forbearance Agreement") with UMB Bank, N.A. ("UMB"), effective January 26, 2021, pursuant to which UMB forbore from exercising its rights and remedies under the Loan Documents (as defined in the Forbearance Agreement) relating to the defaults. The Borrowers and UMB later entered into five amendments to the Forbearance Agreement, the fifth of which (the "Fifth Amendment"), effective February 24, 2023, extended the forbearance period until the earlier to occur of June 1, 2023 or the date of a Forbearance Termination Event (as defined in the Fifth Amendment);

- the current and historical volatility and condition of the financial markets, including but not limited to the debt and credit markets; and

- the business acumen and market leading reputation of Buyer and its access to capital and resources.

In recommending that Costar stockholders vote "FOR" the adoption of the merger agreement, the Costar Board also considered a number of uncertainties and risks and other potentially negative factors, including the following (which factors are not necessarily presented in order of relative importance):

- the fact that the Costar securityholders will not have any continuing equity interest in Costar following completion of the merger and will not receive any benefit from any future growth or increased earnings of Costar after the merger;

- the fact that the merger agreement precludes Costar from actively soliciting alternative acquisition proposals after the date of the merger agreement and limits the Costar's ability thereafter to engage in negotiations with parties that make alternative acquisition proposals;

- the interests that Company executive officers and directors may have with respect to the merger in addition to their interests as stockholders;

- the amount of time that it could take to complete the merger and the uncertainty and related disruption that could arise during that time; and

- that an all-cash transaction would be taxable to Costar stockholders that are U.S. persons for U.S. federal income tax purposes.

This discussion is not meant to be exhaustive, but summarizes the material factors considered by the Costar Board in its consideration of the merger. After considering these and other factors, the Costar Board concluded that the potential benefits of the merger outweighed the uncertainties and risks. In view of the variety of factors considered by the Costar Board and the complexity of these factors, the Costar Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors in reaching its determination and recommendations. Moreover, each member of the Costar Board applied his or her own personal business judgment to the process and may have assigned different weights to different factors. The Costar Board unanimously adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and recommended that Costar stockholders adopt the merger agreement based upon the totality of the information presented to and considered by the Costar Board.

Interests of Costar's Directors and Executive Officers in the Merger

When considering the recommendation of the Costar Board that you vote to approve the proposal to adopt the merger agreement, you should be aware that our directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Costar stockholders generally, as more fully described below. The Costar Board was aware of and considered these interests to the extent that they existed at the time, among other matters, in approving the merger agreement and the merger and recommending that the merger agreement be adopted by Costar's stockholders.

Insurance and Indemnification of Directors and Executive Officers

For more information, see the section of this proxy statement captioned "The Merger Agreement—Indemnification and Insurance."

Merger Consideration to Costar's Directors and Officers

The following table sets forth for each Costar executive officer and director, as of the Record Date, (1) the number of shares of common stock assumed to be held based on information available to Costar as of the date of this proxy statement; (2) the number of shares subject to outstanding company options with an exercise price less than $5.38 per share; and (3) the expected value of merger consideration to be received. The table sets forth the values of these shares and equity awards based on the estimated per share merger consideration (as adjusted for the applicable exercise price in the case of company options).

Equity Interests of Costar's Executive Officers and Non-Employee Directors

Name	Number of Shares of Common Stock Held	Number of Shares Subject to Vested In-the-Money Options	Expected Cash Consideration (1)
Scott Switzer	45,015	0	$242,180.70
Sarah Ryder	11,625	0	$62,542.50
Alan B. Howe	1,294	8,000	$13,561.72
Christopher J. Pappano	0	4,000	$4,280
Guy E.J. Phillips	0	4,000	$4,280
Robert Tirva	0	4,000	$4,280
Sally Washlow	2,208	8,000	$18,479.04

(1) Based on the merger consideration equaling $5.38 per share.

Retention Bonuses

Subject to certain conditions, Scott Switzer and Sarah Ryder are entitled to receive the following cash bonuses upon closing: $150,000 and $100,000, respectively.

Retention Agreements

In connection with the merger, Scott Switzer and Sarah Ryder are anticipated to enter into retention agreements with IDIS pursuant to which each of Mr. Switzer and Ms. Ryder are entitled to the following retention payments: (i) an amount equal to 10% of such executive's base salary if they are employed with the surviving company on the first anniversary of the Merger closing date; (ii) an amount equal to 10% of such executive's base salary if they are employed with the surviving company on the second anniversary of the Merger closing date; and (iii) an amount equal to 10% of such executive's base salary if they are employed with the surviving company on the third anniversary of the Merger closing date.

Closing and Effective Time of the Merger

The closing of the merger will take place on a date to be agreed upon by IDIS, Merger Sub and Costar that is no later than the second business day after the satisfaction or waiver of the closing conditions of the merger. On the closing date, the parties will file a certificate of merger with the Secretary of State of the State of Delaware as provided under the DGCL. The merger will become effective upon the filing and acceptance of such certificate of merger, or at a later time agreed to in writing by the parties and specified in such certificate of merger.

Voting Agreements

As a condition and inducement to IDIS's and Merger Sub's willingness to enter into the merger agreement and to consummate the merger, IDIS has entered into voting agreements with current directors and officers of Costar and certain large Costar stockholders. Under these voting agreements, the Voting Agreement Stockholders have agreed, subject to the terms and conditions in the Voting Agreements and during the term of the Voting Agreements, to vote (or cause to be voted) all of their shares of Costar common stock and, in connection with any action proposed to be taken by written consent, take action (1) to appear at any annual or special meeting, or cause their shares to be counted as present for such meeting, (2) to be present and vote, or cause their shares to vote, or deliver, or cause to be delivered, a written consent with respect to their shares:

- in favor of the adoption of the merger agreement and the transactions contemplated by the merger agreement;
- in favor of any proposal to adjourn or postpone a meeting of Costar stockholders submitted by Costar at the meeting if there is not a quorum to hold such meeting or to allow additional solicitation of votes in order to obtain the stockholder approval by Costar's stockholders; and
- against any Company Acquisition Proposal (as defined in the merger agreement), without regard to the terms of any such Company Acquisition Proposal, or any other transaction, proposal, agreement or action made in opposition to the adoption of the merger agreement or in competition or inconsistent with, or that, to the knowledge of the stockholder, would reasonably be expected to prevent, delay or impede the consummation of, the merger, but only if requested by IDIS.

The voting agreements terminate immediately and automatically upon the earliest to occur of:

- upon the mutual consent of IDIS and the stockholder;
- the termination of the merger agreement in accordance with its terms prior to the effective time of the merger;
- the date upon which any amendment to the merger agreement is effected, or any waiver of Costar's rights under the merger agreement is granted, in each case, without the stockholder's prior written consent, that (A) reduces the merger consideration to be received by the Costar stockholders, or (B) changes the form of merger consideration payable to Costar stockholders; and
- the effective time of the merger.

The Voting Agreement Stockholders are also subject to certain restrictions on (1) transfers of their shares of Costar's common stock and (2) solicitation with respect to acquisition proposals. As of the Record Date, the Voting Agreement Stockholders held, in the aggregate, approximately 43%, of the outstanding shares of Costar's common stock.

Appraisal Rights

General

If the merger is completed, record holders and beneficial owners of shares of Costar common stock who do not vote in favor of the adoption of the merger agreement and who properly demand an appraisal of their shares and who otherwise comply with the requirements set forth in Section 262 of the DGCL will be entitled to appraisal rights in connection with the merger. Strict compliance with the statutory procedures in Section 262 of the DGCL is required. Failure to timely and properly comply with such statutory requirements will result in the loss of your appraisal rights.

This section summarizes certain material provisions of the DGCL pertaining to appraisal rights. The following discussion, however, is not a full summary of the law pertaining to appraisal rights under the DGCL and is qualified in its entirety by reference to the full text of Section 262 of the DGCL, which may be accessed without subscription or cost at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262 and is incorporated by reference herein. All references within Section 262 of the DGCL and this summary to "stockholder" are to the record holder of shares of Costar common stock. All references within Section 262 of the DGCL and this summary to "beneficial owner" mean the beneficial owner of shares of Costar common stock held either in voting trust or by a nominee on behalf of such person. The following discussion does not constitute any legal or other advice, nor does it constitute a recommendation as to whether or not a Costar stockholder or beneficial owner should exercise its right to seek appraisal under Section 262 of the DGCL.

Under the DGCL, if you hold of record (or are the beneficial owner of) one or more shares of Costar common stock, do not vote such shares (and ensure that such shares are not voted) in favor of the adoption of the merger agreement, continuously are the record holder (or beneficial owner, as the case may be) of such shares through the effective date of the merger and otherwise comply with the requirements set forth in Section 262 of the DGCL, you will be entitled to have your shares appraised by the Delaware Court of Chancery and to receive the "fair value" of such shares (as determined by the Delaware Court of Chancery, exclusive of any element of value arising from the accomplishment or expectation of the merger) in cash, together with interest, if any, to be paid upon the amount determined to be the fair value. It is possible that any such "fair value" as determined by the Delaware Court of Chancery may be more or less than, or the same as, the merger consideration which Costar stockholders will be entitled to receive upon the consummation of the merger pursuant to the merger agreement. These rights are known as appraisal rights.

Under Section 262 of the DGCL, not less than 20 days prior to the special meeting at which the adoption of the merger agreement will be submitted to the stockholders, Costar must notify each stockholder who was an Costar stockholder on the Record Date and who is entitled to exercise appraisal rights that appraisal rights are available and include in the notice a copy of Section 262 of the DGCL (or information directing the stockholders to a publicly available electronic resource at which this section may be accessed without subscription or cost). **This proxy statement constitutes the required notice, and a copy of Section 262 of the DGCL may be accessed without subscription or cost at the following publicly available website: https://delcode.delaware.gov/title8/c001/sc09/index.html#262.**

A RECORD HOLDER OR BENEFICIAL OWNER OF COSTAR COMMON STOCK WHO WISHES TO EXERCISE APPRAISAL RIGHTS OR WHO WISHES TO PRESERVE THE RIGHT TO DO SO SHOULD REVIEW THE FOLLOWING DISCUSSIONS AND THE APPLICABLE STATUTORY PROVISIONS CAREFULLY. FAILURE TO COMPLY PRECISELY WITH THE PROCEDURES OF SECTION 262 OF THE DGCL IN A TIMELY AND PROPER MANNER WILL RESULT IN THE LOSS OF APPRAISAL RIGHTS. BECAUSE OF THE COMPLEXITY OF THE PROCEDURES FOR EXERCISING THE RIGHT TO SEEK APPRAISAL UNDER SECTION 262 OF THE DGCL, A RECORD HOLDER OR BENEFICIAL OWNER OF COSTAR COMMON STOCK WHO IS CONSIDERING WHETHER TO EXERCISE ITS APPRAISAL RIGHTS, IS ENCOURAGED TO CONSULT WITH ITS OWN LEGAL COUNSEL. ANY SHARES OF COSTAR COMMON STOCK FOR WHICH THE RECORD HOLDER OR BENEFICIAL OWNER THEREOF FAILS TO PERFECT, SUCCESSFULLY WITHDRAWS OR OTHERWISE LOSES HIS, HER OR ITS APPRAISAL RIGHTS WILL BE DEEMED TO HAVE BEEN CONVERTED AS OF THE EFFECTIVE DATE OF THE MERGER INTO THE RIGHT TO RECEIVE THE MERGER CONSIDERATION.

How to Exercise and Perfect Your Appraisal Rights

If you are a Costar stockholder or beneficial owner and wish to exercise the right to seek an appraisal of your shares of Costar common stock, you must comply with ALL of the following:

- must NOT vote "FOR," or otherwise consent in writing to, the merger proposal with respect to such shares. Because a proxy that is signed and submitted but does not otherwise contain voting instructions will, unless revoked, be voted in favor of the merger proposal, if you submit a proxy and wish to exercise your appraisal rights, you must include voting instructions to vote your share "AGAINST," or as an abstention with respect to, the merger proposal;

- you must continuously hold (in the case of a stockholder demanding appraisal) and beneficially own (in the case of a beneficial owner demanding your appraisal) your shares of Costar common stock from the date of making the demand through the effective date of the merger. A stockholder will lose its appraisal rights for any shares of Costar common stock that it transfers, and a beneficial owner will lose its appraisal rights for any shares that it thereafter ceases to beneficially own, before the effective date of the merger;

- prior to the taking of the vote on the merger proposal at the special meeting, you must deliver a proper written demand for appraisal of your shares; and

- you, another stockholder or beneficial owner who has duly demanded appraisal or the surviving corporation must file a petition in the Delaware Court of Chancery requesting a determination of the fair value of the shares of Costar common stock within 120 days after the effective date of the merger. The surviving corporation is under no obligation to file any such petition in the Delaware Court of Chancery and has no intention of doing so. Accordingly, it is the obligation of Costar stockholders and beneficial owners to initiate all necessary action to properly demand their appraisal rights in respect of shares of Costar common stock within the time prescribed in Section 262 of the DGCL.

Delivering a Written Demand

Neither voting against the merger proposal, nor abstaining from voting or failing to vote on the merger proposal, will in and of itself constitute a written demand for appraisal satisfying the requirements of Section 262 of the DGCL. A record holder or beneficial owner of shares of Costar common stock wishing to exercise appraisal rights must deliver to Costar, before the taking of the vote on the merger proposal at the special meeting, a written demand for the appraisal of the stockholder's or beneficial owner's shares. A stockholder's or beneficial owner's failure to deliver the written demand prior to the taking of the vote on the merger proposal at the special meeting will constitute a waiver of appraisal rights. The written demand for appraisal must be in addition to and separate from any proxy or vote on the merger proposal.

In order to exercise appraisal rights for any shares of Costar common stock, a demand for appraisal of such shares must be executed by or on behalf of the stockholder of record or beneficial owner of the shares. A demand for appraisal made by a record holder of shares of Costar common stock must reasonably inform Costar of the identity of the stockholder and that the stockholder intends to demand appraisal of the "fair value" of his, her or its shares of Costar common stock. Any such demand for appraisal should be executed by or on behalf of the holder of record of the shares for which appraisal is demanded, fully and correctly, as the stockholder's name appears on Costar's books and record. The demand may also be made by a beneficial owner of shares of Costar common stock if, in addition to otherwise satisfying the foregoing requirements, (i) such beneficial owner continuously owns such shares through the effective time of the merger and otherwise satisfies the requirements for appraisal applicable to a stockholder of record under subsection (a) of Section 262 of the DGCL and (ii) the demand made by such beneficial owner reasonably identifies the holder of record of such shares for which the demand is made, is accompanied by documentary evidence of such beneficial owner's beneficial ownership of such shares and a statement that such documentary evidence is a true and correct copy of what it purports to be, and provides an address at which such beneficial owner consents to receive notices and to be set forth on the verified list described below. Alternatively, beneficial owners of shares of Costar common stock may have the holder of record of such shares submit the required demand in respect of such shares. A holder of record, such as a bank, broker or nominee, who holds shares of Costar common stock as a nominee or intermediary for others, may exercise appraisal rights with respect to the shares of Costar common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. The written demand should state the number of shares of Costar common stock as to which appraisal is sought. Where no number of shares of Costar common stock is expressly mentioned, the demand will be presumed to cover all shares of Costar common stock held in the name of the holder of record or beneficially owned by the beneficial owner.

If your shares of Costar common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of any demand for appraisal by such fiduciary should be made in that capacity, and if your shares are owned of record jointly with one or more other persons, as in a joint tenancy or tenancy in common, the demand for appraisal should be executed by or for you and all other joint owners. An authorized agent, including an agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record or beneficial owner; however, the agent must identify the holder or holders of record (and, if any by an authorized agent of any beneficial owner or owners, must identify the beneficial owner or owners and otherwise comply with the requirements applicable to appraisal demands made by beneficial owners) and expressly disclose the fact that,

in exercising the demand, such person is acting as agent for the holder or holders of record or beneficial owner or beneficial owners.

If you elect to exercise appraisal rights under Section 262 of the DGCL, you should mail or deliver a written demand to:

Costar Technologies, Inc.
101 Wrangler Drive, Suite 201
Coppell, TX 75019
Attention: Corporate Secretary

At any time within 60 days after the effective date of the merger, any person entitled to appraisal that made a demand for appraisal but has not commenced an appraisal proceeding or joined in such a proceeding as a named party will have the right to withdraw the demand and to accept the merger consideration in accordance with the merger agreement for his, her or its shares of Costar common stock by delivering to the surviving corporation a written withdrawal of the demand for appraisal.

Notice by the Surviving Corporation. Within ten days after the effective date of the merger, Costar, as the surviving corporation, must notify each holder of Costar common stock who has made a written demand for appraisal pursuant to Section 262 of the DGCL and has not voted in favor of the merger proposal, and any beneficial owner of Costar common stock who has demanded appraisal in accordance with Section 262 of the DGCL, of the date that the merger has become effective.

Filing a Petition for Appraisal with the Delaware Court of Chancery. Within 120 days after the effective date of the merger, but not later, a stockholder of record or beneficial owner of shares who has duly demanded appraisal for his, her or its shares, did not vote such shares in favor of the adoption of the merger agreement and has otherwise complied with the requirements of Section 262 of the DGCL, or the surviving corporation may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery, with a copy served on the surviving corporation in the case of a petition filed by a record or beneficial holder, demanding an appraisal of the value of the shares of Costar common stock held by all persons entitled to appraisal. None of IDIS, Merger Sub or Costar, as the surviving corporation is under any obligation to file an appraisal petition or has any intention to do so. If you desire to have your shares of Costar common stock appraised, you should initiate any petitions necessary for properly demanding your appraisal rights within the time periods and in the manner prescribed in Section 262 of the DGCL, and the failure of a stockholder or beneficial owner to file such a petition within the period specified could nullify his, her or its previous written demand for appraisal.

Within 120 days after the effective date of the merger, any stockholder or beneficial owner who has complied with the provisions of Section 262 of the DGCL will be entitled to receive from the surviving corporation, upon written request, a statement setting forth the aggregate number of shares of Costar common stock not voted in favor of the merger proposal and with respect to which Costar has received demands for appraisal, and the aggregate number of holders or beneficial owners holding or owning those shares (for which purpose the record holder of shares held by a beneficial owner who has made a demand for appraisal shall not be considered a separate stockholder holding

such shares). The surviving corporation must give this statement to any such holder or beneficial owner duly requesting it within the later of (i) ten days after receipt by the surviving corporation of the request therefor or (ii) ten days after expiration of the period for delivery of demands for appraisal.

If a petition for appraisal is not timely filed, or if you have not commenced an appraisal proceeding or joined in such a proceeding as a named party and deliver to the surviving corporation a written withdrawal of your demand for an appraisal and an acceptance of the merger, within 60 days after the effective date of the merger, then the right to appraisal will cease.

If a petition for appraisal is duly filed and a copy of the petition is delivered to the surviving corporation, the surviving corporation will be obligated, within 20 days after receiving service of a copy of the petition, to file with the Delaware Court of Chancery a duly verified list containing the names and addresses of all holders and beneficial owners who have demanded an appraisal of their shares of Costar common stock and with whom agreements as to the value of their shares of Costar common stock have not been reached by the surviving corporation. After notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving corporation and to the stockholders and beneficial owners shown on the list at the addresses therein stated, to the extent that such notice is required by the Delaware Court of Chancery, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine which persons have complied with Section 262 of the DGCL and have become entitled to appraisal rights and may require the persons demanding appraisal for their shares represented by certificates to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings, and the Delaware Court of Chancery may dismiss the proceedings as to any such person who fails to comply with this direction. The forms of the notices by mail and by publication shall be approved by the Delaware Court of Chancery, and the costs thereof shall be borne by the surviving corporation.

The appraisal proceeding will be conducted in accordance with the rules of the Delaware Court of Chancery, including any rules specifically governing appraisal proceedings. Through the appraisal proceeding, the Delaware Court of Chancery will determine the fair value of the shares of Costar common stock held by all persons who have properly demanded and are entitled to appraisal, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, and except as otherwise provided in Section 262 of the DGCL, interest from the effective date of the merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Notwithstanding the foregoing or anything herein to the contrary, at any time before the entry of judgment in the proceedings, the surviving corporation may pay to each person entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided herein only upon the sum of (1) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Delaware Court of Chancery, and (2) interest theretofore accrued, unless paid at that time. Upon application by the surviving corporation or by any person entitled to participate in the appraisal proceeding, the Delaware Court of Chancery may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the persons entitled to an appraisal. Any person whose name appears on the list filed by the surviving corporation may participate fully in all proceedings until it is finally determined that such person is not entitled to appraisal. When

the value is determined, the Delaware Court of Chancery will direct the payment of such value, with interest thereon, if any, to the person entitled to receive the same. Payment shall be so made to each such person upon such terms and conditions as the Delaware Court of Chancery may order.

In determining the fair value, the Delaware Court of Chancery is required to take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that “proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court” should be considered and that “[f]air price obviously requires consideration of all relevant factors involving the value of a company.” The Delaware Supreme Court has stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other factors which were known or which could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. Section 262 of the DGCL provides that fair value is to be “exclusive of any element of value arising from the accomplishment or expectation of the merger.” In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a “narrow exclusion [that] does not encompass known elements of value,” but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 of the DGCL to mean that “elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.” An opinion of an investment banking firm as to the fairness from a financial point of view of the consideration payable in a merger is not an opinion as to fair value under Section 262 of the DGCL. The fair value of shares of Costar common stock as determined under Section 262 of the DGCL could be greater than, the same as or less than the merger consideration. Neither IDIS nor Costar, as the surviving corporation, anticipates offering more than the merger consideration to any Costar stockholder or beneficial owner exercising appraisal rights and reserves the right to assert, in any appraisal proceeding, that, for purposes of Section 262 of the DGCL, the “fair value” of a share of Costar common stock is less than the merger consideration. No representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery.

If no party files a petition for appraisal within 120 days after the effective date of the merger, you will lose the right to an appraisal and will instead receive the applicable merger consideration in accordance with the merger agreement, without interest thereon, less any withholding taxes.

The Delaware Court of Chancery may determine the costs of the appraisal proceeding (which do not include attorneys’ fees or the fees and expenses of experts) and may tax those costs upon the parties as the Delaware Court of Chancery deems equitable under the circumstances. Upon application of any person whose name appears on the verified list filed by the surviving corporation who participated in the proceeding and incurred expenses in connection therewith, the Delaware Court of Chancery may order all or a portion of such expenses, including reasonable attorneys’ fees and the fees and expenses of experts, to be charged pro rata against the value of all shares of Costar common stock entitled to appraisal not dismissed as to the proceedings or dismissed subject to such an award pursuant to a reservation of jurisdiction. In the absence of such an order, each party to the appraisal proceeding bears its own expenses of its attorneys and experts.

If you have duly demanded an appraisal in compliance with Section 262 of the DGCL you will not, from and after the effective date of the merger, be entitled to vote the shares of Costar common stock subject to the demand for any purpose or receive any dividends or other distributions on those shares, except dividends or other distributions payable to holders of record of Costar common stock as of a record date prior to the effective date of the merger.

If you have not commenced an appraisal proceeding or joined such a proceeding as a named party you may withdraw a demand for appraisal and accept the merger consideration by delivering a written withdrawal of the demand for appraisal and an acceptance of the merger consideration payable in the merger to the surviving corporation with 60 days after the effective date of the merger. No appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any person without the approval of the Delaware Court of Chancery. Such approval may be conditioned on the terms the Delaware Court of Chancery deems just (including without limitation, a reservation of jurisdiction for any application to the Delaware Court of Chancery made with respect to the allocation of the expenses of the proceeding); provided, however, that this provision will not affect the right of any person that has made an appraisal demand but who has not commenced an appraisal proceeding or joined such proceeding as a named party to withdraw such person's demand for appraisal and to accept the terms offered in the merger within 60 days after the effective date of the merger. If you fail to properly demand or successfully withdraw your demand for appraisal, or otherwise lose your appraisal rights, your shares of Costar common stock will be deemed to have been converted as of the effective date of the merger into the right to receive the merger consideration, without interest thereon, less any withholding taxes.

Failure to follow the steps required by Section 262 of the DGCL for properly demanding appraisal rights may result in the loss of your appraisal rights. In that event, you will be entitled to receive the merger consideration for your shares of Costar common stock in accordance with the merger agreement.

THE PROCESS OF DEMANDING AND EXERCISING APPRAISAL RIGHTS REQUIRES STRICT COMPLIANCE WITH THE TECHNICAL PREREQUISITES OF SECTION 262 OF THE DGCL. IF YOU WISH TO EXERCISE YOUR APPRAISAL RIGHTS, YOU SHOULD CONSULT WITH YOUR OWN LEGAL COUNSEL. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THE FOREGOING SUMMARY AND SECTION 262 OF THE DGCL, THE DGCL WILL GOVERN.

Material U.S. Federal Income Tax Considerations of the Merger

The following discussion is a summary of material U.S. federal income tax considerations of the merger that may be relevant to U.S. Holders and Non-U.S. Holders (each as defined below) of shares of common stock whose shares are converted into the right to receive cash pursuant to the merger. This discussion is based upon the Internal Revenue Code of 1986, as amended (which we refer to as the "Code"), Treasury regulations promulgated under the Code, court decisions, published positions of the Internal Revenue Service (which we refer to as the "IRS") and other applicable authorities, all as in effect on the date of this proxy statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. This discussion is limited to holders who hold their shares of common stock as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment purposes).

This discussion is for general information only and does not address all of the tax considerations that may be relevant to holders in light of their particular circumstances. For example, this discussion does not address tax consequences:

- that may be relevant to holders who may be subject to special treatment under U.S. federal income tax laws, such as financial institutions; tax-exempt organizations; S corporations, partnerships and any other entity or arrangement treated as a partnership or pass-through entity for U.S. federal income tax purposes, and shareholders, partners or investors in such entities; insurance companies; mutual funds; dealers in stocks and securities; traders in securities that elect to use the mark-to-market method of accounting for their securities; regulated investment companies; real estate investment trusts; entities subject to the U.S. anti-inversion rules; holders who hold their common stock as "qualified small business stock" for purposes of Sections 1045 and 1202 of the Code; or certain former citizens or long-term residents of the United States;

- to holders holding the shares as part of a hedging, constructive sale or conversion, straddle or other risk reduction transaction;

- to holders who received their shares of common stock in a compensatory transaction or pursuant to the exercise of options or warrants;

- to U.S. Holders whose "functional currency" is not the U.S. dollar;

- to holders who hold their common stock through a bank, financial institution or other entity, or a branch thereof, located, organized or resident outside the United States;

- to holders who are "controlled foreign corporations," "passive foreign investment companies" or "personal holding companies" for U.S. federal income tax purposes;

- arising from the Medicare tax on net investment income;

- to holders subject to special tax accounting rules as a result of any item of gross income with respect to the shares of common stock being taken into account in an "applicable financial statement" (as defined in the Code);

- related to U.S. federal estate, gift or alternative minimum taxes, if any;

- to holders that actually or constructively hold 5% or more of the shares of common stock;

- to persons whose shares of common stock are subject to Section 306 of the Code;

- related to any state, local or non-U.S. taxes; or

- to holders that do not vote in favor of the merger and who properly demand appraisal of their shares under Section 262 of the DGCL.

This discussion also does not address the tax consequences of the merger to holders of Company Options or Restricted Stock Awards in their capacity as such or to recipients of compensatory payments. Furthermore, this discussion does not address the tax considerations of transactions occurring prior to or after the merger (whether or not such transactions are in connection with the merger).

If a partnership (including an entity or arrangement, domestic or foreign, treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of shares of common stock, then the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partner and the partnership. Partnerships holding shares of common stock and partners therein should consult their tax advisors regarding the consequences of the merger.

No ruling has been or will be obtained from the IRS regarding the U.S. federal income tax consequences of the merger. If the IRS contests a conclusion set forth herein, no assurance can be given that a holder would ultimately prevail in a final determination by a court.

THIS DISCUSSION IS PROVIDED FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE LEGAL ADVICE TO ANY HOLDER. A HOLDER SHOULD CONSULT ITS OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES RELATING TO THE MERGER IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES AND ANY CONSEQUENCES ARISING UNDER FEDERAL NON-INCOME TAX LAWS OR THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION.

U.S. Holders

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of shares of common stock that is:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (1) that is subject to the primary supervision of a court within the United States and the control of one or more United States persons as defined in Section 7701(a)(30) of the Code; or (2) that has a valid election in effect under applicable Treasury regulations to be treated as a United States person for U.S. federal income tax purposes.

Subject to the discussion under "*Equityholders' Representative Expense Fund*", the receipt of cash by a U.S. Holder in exchange for shares of common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. In general, such U.S. Holder's gain or loss will be equal to the difference, if any, between the amount of cash received and the U.S. Holder's adjusted tax basis in the shares of common stock surrendered pursuant to the merger. A U.S. Holder's adjusted tax basis generally will equal the amount that such U.S. Holder paid for the shares. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder's holding period in such shares is more than one year at the time of the completion of the merger. A reduced

tax rate on capital gain generally will apply to long-term capital gain of a non-corporate U.S. Holder (including individuals). The deductibility of capital losses is subject to limitations. If a U.S. holder acquired different blocks of shares of common stock at different times and different prices, such holder must determine its adjusted tax basis and holding period separately with respect to each block of our common stock.

Non-U.S. Holders

For purposes of this discussion, the term "Non-U.S. Holder" means a beneficial owner of shares of common stock that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes.

Any gain realized by a Non-U.S. Holder pursuant to the merger generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of such Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in the case of an individual, a fixed base) maintained by such Non-U.S. Holder in the United States), in which case such gain generally will be subject to U.S. federal income tax at rates generally applicable to U.S. persons, and, if the Non-U.S. Holder is a corporation, such gain may also be subject to the branch profits tax at a rate of 30 percent (or a lower rate under an applicable income tax treaty);

- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other specified conditions are met, in which case such gain will be subject to U.S. federal income tax at a rate of 30 percent (or a lower rate under an applicable income tax treaty); or

- We are or have been a "United States real property holding corporation" (which we refer to as a "USRPHC"), as such term is defined in Section 897(c) of the Code, at any time within the shorter of the five-year period preceding the merger or such Non-U.S. Holder's holding period with respect to the applicable shares of common stock (which we refer to as the "relevant period"), and, if shares of common stock are regularly traded on an established securities market (within the meaning of Section 897(c)(3) of the Code), such Non-U.S. Holder owns directly or is deemed to own pursuant to attribution rules more than 5 percent of our common stock at any time during the relevant period, in which case such gain will be subject to U.S. federal income tax at rates generally applicable to U.S. persons (as described in the first bullet point above), except that the branch profits tax will not apply. We believe that we are not, and have not been, a USRPHC at any time during the five-year period preceding the merger.

Equityholders' Representative Expense Fund

Although the matter is not free from doubt, for U.S. federal income tax purposes, the parties intend to treat the Costar stockholders as the beneficial owners of the Equityholders' Representative Expense Fund. On the basis of this treatment, the parties intend to treat the Costar stockholders as being in actual or constructive receipt of their

share of the Equityholders’ Representative Expense Fund on the date such amounts are deposited with the Equityholders’ Representative.

Information Reporting and Backup Withholding

Information reporting and backup withholding (at a current rate of 24%) may apply to the proceeds received by a holder pursuant to the merger. Backup withholding generally will not apply to (1) a U.S. Holder that furnishes a correct taxpayer identification number and certifies that such U.S. Holder is not subject to backup withholding on IRS Form W-9 (or a substitute or successor form); or (2) a Non-U.S. Holder that (i) provides a certification of such Non-U.S. Holder’s non-U.S. status on the appropriate series of IRS Form W-8 (or a substitute or successor form) or (ii) otherwise establishes an exemption from backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the holder’s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

THE ABOVE DISCUSSION IS INTENDED TO PROVIDE ONLY A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS OF THE MERGER. IT IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL U.S. FEDERAL TAX CONSEQUENCES OF THE MERGER. IT ALSO DOES NOT ADDRESS STATE, LOCAL, NON-INCOME OR FOREIGN TAX CONSEQUENCES. IN ADDITION, AS NOTED ABOVE, IT DOES NOT ADDRESS TAX CONSEQUENCES THAT MAY VARY WITH, OR ARE CONTINGENT UPON, INDIVIDUAL CIRCUMSTANCES. WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISOR TO DETERMINE YOUR PARTICULAR U.S. FEDERAL, STATE, LOCAL OR FOREIGN INCOME OR OTHER TAX CONSEQUENCES RESULTING FROM THE MERGER IN LIGHT OF YOUR INDIVIDUAL CIRCUMSTANCES.

Regulatory Approvals Required for the Merger

No regulatory or governmental approvals or filings are required for consummating the merger, other than the filing(s) required with CFIUS and the filing of a certificate of merger with the Secretary of State of the State of Delaware in accordance with the applicable provisions of the DGCL.

CFIUS Approval

Costar filed a CFIUS declaration seeking approval of the merger on May 2, 2023. If CFIUS does not by the end of its assessment period approve the transaction or inform the parties that it is not able to complete action on the basis of a declaration but does not require the filing of a notice, then Costar expects to file a CFIUS notice seeking approval of the merger.

Investments that involve the acquisition of, or investment in, a U.S. business by a non-U.S. investor may be subject to U.S. laws that regulate foreign investments in U.S. businesses and access by foreign persons to technology developed and produced in the United States. These laws include Section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment Risk Review Modernization Act of 2018, and the regulations at 31 C.F.R. Part 800, as amended, administered by CFIUS.

CFIUS has authority to review certain direct or indirect foreign investments in U.S. businesses. Among other things, CFIUS is authorized to require certain foreign investors to make mandatory filings and to self-initiate national security reviews of certain foreign direct and indirect investments in U.S. businesses if the parties to that investment choose not to file voluntarily. With respect to transactions that CFIUS considers to present unresolved national security concerns, CFIUS has the power to suspend transactions, impose mitigation measures, and/or recommend that the President of the United States block pending transactions or order divestitures of completed transactions when national security concerns cannot be mitigated. Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors, the nature and structure of the transaction, whether the target company is a U.S. business, the level of beneficial ownership and voting interests acquired by foreign persons, and the nature of any information, control or governance rights received by foreign persons. For example, any investment that results in "control" of a U.S. business by a foreign person is within CFIUS's jurisdiction. CFIUS's expanded jurisdiction under the Foreign Investment Risk Review Modernization Act of 2018 and implementing regulations further includes investments that do not result in control of a U.S. business by a foreign person but that afford foreign persons certain information or governance rights in a "TID U.S. business," that is, a U.S. business that: (i) produces, designs, tests, manufactures, fabricates, or develops "critical technologies"; (ii) owns or operates certain "critical infrastructure"; and/or (iii) maintains or collects "sensitive personal data," all as defined in the CFIUS regulations.

The CFIUS process may be lengthy and cause delays to completion of the transactions contemplated by the merger agreement. Upon completion of the pre-filing process and CFIUS's acceptance of the declaration, CFIUS will have 30 calendar days to complete an assessment of the declaration before either approving the transaction, requesting a notice to be filed, taking no action, or determining that the transaction is not covered by CFIUS jurisdiction. Should CFIUS request that the parties submit a notice, upon completion of the pre-filing process and CFIUS's acceptance of the final notice, CFIUS will have 45 calendar days to complete a review of the notice, followed by an optional 45 calendar day investigation period. On occasion, CFIUS may extend the process further through a mechanism referred to as a "withdraw and refile," which extends the process either 45 or 90 days at a time. In extraordinary circumstances, CFIUS may extend an investigation for a one 15-day period in lieu of a withdraw and refile. Once CFIUS is satisfied that national security risk does not exist or that any such risk presented by the transaction is adequately mitigated, CFIUS will approve the transaction. If CFIUS determines that the transaction presents national security concerns that may not be adequately addressed through mitigation, then CFIUS will inform the parties of its intent to recommend that the President to block the transaction. If CFIUS makes such a recommendation to the President, the President will have up to 15 calendar days to decide whether to suspend, prohibit or impose conditions on the transaction.

As a practical matter, CFIUS approves most transactions during the review or investigation phases — potentially through the negotiation of mitigation measures. Mitigation measures can range from assurance letters between CFIUS and the parties (whereby the parties undertake minimal corporate steps to address security concerns) to complex agreements that can impose burdensome operational restrictions or even require restructuring aspects of the transaction itself.

Legal Proceedings Regarding the Merger

None.

PROPOSAL 1: ADOPTION AND APPROVAL OF THE MERGER AGREEMENT

The Merger Agreement Proposal

We are asking you to approve a proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger. For a detailed discussion of the terms and conditions of the merger agreement, see "*The Merger Agreement*" on page 17 of this proxy statement. A copy of the merger agreement is attached as Annex A of this proxy statement.

Vote Required and Board Recommendation

As discussed in "*The Merger—Recommendation of the Costar Board and Reasons for the Merger*" on page 22 of this proxy statement, after considering various factors described in such section, the Board has determined that the merger agreement, and the transactions contemplated thereby, including the merger, are fair to and advisable and in the best interests of Costar and its stockholders. The Board has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, Costar and its stockholders, (2) approved and declared advisable the execution, delivery and performance of the merger agreement and the consummation of the merger, and (3) recommended that Costar's stockholders adopt the merger Agreement. The Board recommends that you vote "**FOR**" the Merger Proposal. If you sign and return a proxy and do not indicate how you wish to vote on the Merger Proposal, your shares of Costar common stock will be voted "**FOR**" the Merger Proposal.

Under Delaware law, adoption of the merger agreement requires the affirmative vote of the holders of a majority of the shares of Costar common stock outstanding as of the Record Date and entitled to vote on the matter. Abstentions will have the same effect as a vote "**AGAINST**" the Merger Proposal.

The Board recommends that you vote "FOR" the Merger Proposal.

PROPOSAL 2: ADJOURNMENT OF THE SPECIAL MEETING

The Adjournment Proposal

We are asking you to approve a proposal to approve the adjournment of the special meeting to a later date or dates if necessary to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting. If our stockholders approve the Adjournment Proposal, we could adjourn the special meeting and any adjourned session of the special meeting to solicit additional proxies, including the solicitation of proxies from stockholders that have previously returned properly executed proxies voting against adoption of the merger agreement. Among other things, approval of the Adjournment Proposal could mean that, even if we had received proxies representing a sufficient number of votes against adoption of the merger agreement such that the Merger Proposal would be defeated, we could adjourn the special meeting without a vote on the adoption of the merger agreement and seek to convince the holders of those shares of Costar common stock to change their votes to votes in favor of adoption of the merger agreement. Additionally, we may seek to adjourn the special meeting if a quorum is not present at the special meeting.

If the special meeting is adjourned, stockholders who have already submitted their proxies will be able to revoke them at any time prior to the vote on the proposals. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Vote Required and Board Recommendation

Approval of the Adjournment Proposal requires the affirmative vote of a majority of the shares of Costar common stock present or represented, in person or by proxy, at the special meeting and entitled to vote. Assuming a quorum is present, abstentions as to the Adjournment Proposal will have the same effect as a vote "**AGAINST**" the Adjournment Proposal. If you sign and return a proxy and do not indicate how you wish to vote on the Adjournment Proposal, your shares of Costar common stock will be voted "**FOR**" the Adjournment Proposal.

The Board believes that it is in the best interests of Costar and its stockholders to be able to adjourn the special meeting to a later date or dates if necessary for the purpose of soliciting additional votes in respect of the Merger Proposal if there are insufficient votes to adopt the merger agreement at the time of the special meeting.

In addition, whether or not there is a quorum, the chair of the meeting or, in the absence of a chair of the meeting, any officer entitled to preside at or to act as secretary of such meeting or the stockholders by the affirmative vote of the holders of a majority of all of the shares of Costar common stock represented at the special meeting, in person or by proxy, and entitled to vote, may adjourn the meeting to another place, date or time (subject to certain restrictions in the merger agreement).

The Board recommends that you vote "FOR" the Adjournment Proposal.

THE MERGER AGREEMENT

The following summary describes the material provisions of the merger agreement. The descriptions of the merger agreement in this summary and elsewhere in this proxy statement are not complete and are qualified in their entirety by reference to the merger agreement, a copy of which is attached to this proxy statement as Annex A and incorporated into this proxy statement by reference. We encourage you to read the merger agreement carefully and in its entirety because this summary may not contain all the information about the merger agreement that is important to you. The rights and obligations of the parties are governed by the express terms of the merger agreement, and not by this summary or any other information contained in this proxy statement.

The representations, warranties, covenants and agreements described below and included in the merger agreement (1) were made only for purposes of the merger agreement and as of specific dates; (2) were made solely for the benefit of the parties to the merger agreement; (3) may be subject to important qualifications, limitations and supplemental information agreed to by Costar, IDIS and Merger Sub in connection with negotiating the terms of the merger agreement; and (4) may also be subject to a contractual standard of materiality different from those generally applicable to reports and documents filed with the SEC and in some cases were qualified by confidential matters disclosed to IDIS and Merger Sub by Costar in connection with the merger agreement. In addition, the representations and warranties may have been included in the merger agreement for the purpose of allocating contractual risk between Costar, IDIS and Merger Sub rather than to establish matters as facts, and may be subject to standards of materiality applicable to such parties that differ from those applicable to investors. Further, the representations and warranties were negotiated with the principal purpose of establishing the circumstances in which a party to the merger agreement may have the right not to consummate the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise. Costar stockholders are not third-party beneficiaries under the merger agreement and should not rely on the representations, warranties, covenants and agreements or any descriptions thereof as characterizations of the actual state of facts or condition of Costar, IDIS or Merger Sub or any of their respective affiliates or businesses. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the merger agreement and subsequent developments or new information qualifying a representation or warranty may have been included in this proxy statement. None of the representations and warranties will survive the closing of the merger, and, therefore, they will have no legal effect under the merger agreement after the effective time. In addition, you should not rely on the covenants in the merger agreement as actual limitations on the respective businesses of Costar, IDIS and Merger Sub, because the parties may take certain actions that are either expressly permitted in the confidential disclosure letters to the merger agreement or as otherwise consented to by the appropriate party, which consent may be given without prior notice to the public. The merger agreement is described below, and included as Annex A, only to provide you with information regarding its terms and conditions, and not to provide you with any other factual information regarding Costar, IDIS, Merger Sub or their respective businesses. Accordingly, the representations, warranties, covenants and other agreements in the merger agreement should not be read alone, and you should read the information provided elsewhere in this document and in our other materials circulated to stockholders regarding Costar and our business.

Closing and Effective Time of the Merger

The closing of the merger will take place on a date to be agreed upon by IDIS, Merger Sub and Costar that is no later than the second business day after the satisfaction or waiver of the closing conditions of the merger. On the closing date, the parties will file a certificate of merger with the Secretary of State of the State of Delaware as provided under the DGCL. The merger will become effective upon the filing and acceptance of such certificate of merger, or at a later time agreed to in writing by the parties and specified in such certificate of merger.

Effects of the Merger; Certificate of Incorporation; Bylaws; Directors and Officers

Upon the terms and subject to the conditions of the merger agreement, and in accordance with the DGCL, at the effective time of the merger, (1) Merger Sub will merge with and into Costar; (2) the separate corporate existence of Merger Sub will cease; and (3) Costar will continue as the surviving corporation in the merger and a wholly owned subsidiary of IDIS.

At the effective time of the merger, all of the property, rights, privileges and powers of Costar and Merger Sub will vest in the Surviving Corporation, and all of the debts, liabilities and duties of Costar and Merger Sub become the debts, liabilities and duties of the Surviving Corporation.

At the effective time of the merger, the certificate of incorporation of Costar as the surviving corporation will be amended and restated in its entirety to read as set forth in an exhibit to the merger agreement, and the bylaws of Merger Sub, as in effect immediately prior to the effective time of the merger, will be amended and restated in their entirety to read as set forth in an exhibit to the merger agreement will become the bylaws of the surviving corporation, until thereafter amended or restated.

At the effective time of the merger, the board of directors of the surviving corporation will consist of the directors of Merger Sub as of immediately prior to the effective time of the merger, to hold office in accordance with the certificate of incorporation and bylaws of the surviving corporation until their successors are duly elected or appointed and qualified.

Conversion of Shares

Common Stock

At the effective time of the merger, each outstanding share of common stock (other than shares (1) held by Costar as treasury stock; (2) owned by IDIS or Merger Sub; (3) owned by any direct or indirect wholly owned subsidiaries of Costar, IDIS or Merger Sub; or (4) owned by each Costar stockholder who has properly made a demand for appraisal under Delaware law and has neither effectively withdrawn, failed to perfect, waived or otherwise lost such stockholder’s right to appraisal will be cancelled and automatically converted into the right to receive cash in an amount equal to Closing Consideration per share amount, without interest, subject to the purchase price adjustments as set forth in the merger agreement, and further subject to any applicable withholding taxes (or, in the case of a lost, stolen or destroyed certificate, upon delivery of an affidavit (and if required, bond) in accordance with the terms of the merger agreement).

At the effective time of the merger, each outstanding share of common stock that is (1) held by Costar or (2) owned by IDIS or Merger Sub, or their respective direct or indirect subsidiaries, will be cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor.

Company Options

The merger agreement provides that at the effective time of the merger, each option to purchase shares of Costar common stock (which we refer to as a "company option") outstanding and unexercised immediately prior to the effective time of the merger, whether vested or unvested, will, be cancelled and converted into a right to receive an amount in cash, without interest, equal to the product obtained by multiplying (1) the per share closing merger consideration less the exercise price per share attributable to such company option by (2) the total number of shares of common stock underlying such company option. We refer to this amount as the "option consideration." The payment of the option consideration will be subject to any applicable withholding taxes.

With respect to any company options for which the exercise price per share attributable to such company options is equal to or greater than the per share merger consideration, such company options will be cancelled without any cash payment being made in exchange for such cancellation.

Merger Consideration

Pursuant to the terms of the merger agreement, IDIS will pay to the Costar securityholders the aggregate "Closing Merger Consideration" equal to: (a) $6.20 per share multiplied by the outstanding Total Stock at the Effective Time (the Target Merger Consideration, which is anticipated to be approximately $10.4 million); *less* (b) the sum of: (i) the amount of transaction expenses and transaction payments not paid prior to the Closing (which are anticipated to be approximately $1.1 million), and (ii) the Equityholders' representative fund of $100,000. In addition, the Closing Merger Consideration will be further increased or decreased based on whether the closing Net Working Capital is greater or less than $14.5 million, and further increased or decreased based on whether the closing indebtedness is greater or less than $13.0 million. Total Stock is calculated as the aggregate of (i) the outstanding shares of common stock, plus (ii) the aggregate number of shares of common stock issuable upon the net exercise of Costar's options that are vested, outstanding and exercisable immediately prior to the Effective Date. The final amount of the Closing Merger Consideration will be determined in accordance with the Merger Agreement at the Effective Time based on a closing statement to be prepared by Costar and delivered to Buyer. As a result of the adjustments to the Closing Merger Consideration, increases in our working capital and decreases in our bank indebtedness during the period between signing the Merger Agreement and the Effective Time will increase the Closing Merger Consideration, while any decreases in our working capital or increases in our bank indebtedness will decrease the Closing Merger Consideration.

As part of the closing process, Buyer will pay or cause to be paid:

- the total amount of Costar's outstanding bank indebtedness to UMB (on behalf of the Company);

- the transaction expenses and transaction payments (on behalf of the Company);
- the Equityholders' representative fund of $100,000 to the Equityholders' Representative; and
- the Closing Merger Consideration to the paying agent.

Paying Agent, Exchange Fund and Exchange and Payment Procedures

Prior to the closing of the merger, IDIS will select a paying agent reasonably acceptable to Costar (which we refer to as the "paying agent") to make payments of the merger consideration to Costar stockholders. At or prior to the closing of the merger, IDIS will deposit (or cause to be deposited) with the paying agent cash that is sufficient in the aggregate to pay the aggregate per share merger consideration to Costar stockholders in accordance with the merger agreement.

As promptly as practicable after the effective time of the merger (and in any event within five business days) following the effective time of the merger, the paying agent will mail to each holder of record (as of immediately prior to the effective time of the merger) a letter if transmittal and instructions advising stockholders how to surrender certificates for cash.

Notwithstanding the foregoing, any holder of shares of Costar common stock held in book-entry form (which we refer to as "uncertificated shares") will not be required to deliver a certificate or an executed letter of transmittal (as both are described above) to the paying agent to receive the consideration payable in respect thereof. In lieu thereof, each holder of record (as of immediately prior to the effective time of the merger) of uncertificated shares that immediately prior to the effective time of the merger represented an outstanding share of Costar common stock (subject to certain exceptions) will, upon receipt of an "agent's message" in customary form at the effective time of the merger, be entitled to receive, and the paying agent will pay and deliver as promptly as practicable, an amount in cash equal to the product of (1) the number of uncertificated shares held by such stockholder; and (2) the per share merger consideration. The amount of consideration paid to such Costar stockholders will not include interest and may be reduced by any applicable withholding taxes.

If any cash deposited with the paying agent is not claimed within one year following the effective time of the merger, such cash will be returned to IDIS upon demand, and any Costar stockholders as of immediately prior to the merger who have not complied with the exchange procedures in the merger agreement will thereafter look only to IDIS for satisfaction of their claims for payment (subject to abandoned property law, escheat law or similar law). None of IDIS, Merger Sub, Costar, the surviving corporation or the paying agent will be liable to any Costar stockholder with respect to any cash amounts properly paid to a public official pursuant to any applicable abandoned property law, escheat law or similar law.

The letter of transmittal will include instructions if a stockholder has lost a share certificate or if such certificate has been stolen or destroyed. In the event that any share certificates have been lost, stolen or destroyed, then the paying agent will issue the per share merger consideration to such holder upon the making by such holder of an affidavit for such lost, stolen or destroyed certificate. IDIS or the paying agent may, in its discretion and as a condition

precedent to the payment of the per share merger consideration, require such stockholder to deliver a bond in such amount as IDIS or the paying agent may direct as indemnity against any claim that may be made against IDIS, the surviving corporation or the paying agent with respect to such certificate.

Representations and Warranties

The merger agreement contains representations and warranties of Costar, IDIS, and Merger Sub.

Some of the representations and warranties in the merger agreement made by Costar are qualified as to "materiality" or "Company Material Adverse Effect." For purposes of the merger agreement, "Company Material Adverse Effect" means, with respect to Costar, any effect, change, development, event, circumstance, occurrence, condition, fact or state of facts that has a material adverse effect, individually or in the aggregate, (a) on the business, condition (financial or otherwise) or results of operations of Costar and its subsidiaries, taken as a whole, or (b) on the ability of Costar to perform its obligations under the merger agreement or to consummate the merger and the other transactions contemplated by the merger agreement.

However, in each case, any effect, change, development, event, circumstance, occurrence, condition or state of facts directly resulting from, attributable to or arising out of the following will not be taken into account in determining whether a Company Material Adverse Effect has occurred:

(i) changes in general United States or other national, regional or global economic, regulatory, legislative, credit, capital market or financial market conditions;

(ii) changes in the economic, business and financial environment generally affecting the industry, in which the Costar and its subsidiaries operate;

(iii) any change in the Costar's trading volume or stock price,

(iv) in and of itself, any failure by Costar to meet any revenue, earnings or other similar projections (it being understood that the underlying effect, change, development, event, circumstance, occurrence, condition, fact or state of facts giving rise to or contributing to such change or failure may be taken into account in determining whether there has been a Company Material Adverse Effect to the extent not otherwise excluded by another exception);

(v) an act of terrorism or sabotage or an outbreak or escalation of hostilities or war (whether or not declared) or any natural disasters, national emergencies or other force majeure events, including any escalation or worsening of such conditions threatened or existing as of the date of the merger agreement;

(vi) adoption, implementation, enforcement, promulgation, repeal, modification, amendment interpretation or other changes in applicable law or GAAP or any regulatory environment or regulatory enforcement environment;

(vii) the execution, public announcement or pendency of the merger agreement and the anticipated consummation of the merger or the other transactions contemplated by the merger agreement, including (A) the identity of IDIS or the announcement by IDIS or any of its affiliates of its or their plans or intentions with respect to Costar, (B) any departure or termination of any officers, directors, employees or independent contractors of Costar or any of its subsidiaries or (C) the termination or potential termination of (or the failure or potential failure to renew or enter into) any Contracts with, or any other adverse development (or potential adverse development) in Costar's relationships with any of its customers, suppliers, distributors, partners or other business relationships of Costar, or any litigation arising from allegations of any breach of fiduciary duty or violation of law relating to the merger or the merger agreement;

(viii) any action expressly required to be taken pursuant to the merger agreement;

(ix) pandemics, epidemics, disease outbreaks, and other public health emergencies, including the COVID-19 outbreak, and any actions taken in good faith by Costar in connection therewith; or

(x) any action taken at the express written direction of IDIS given after the date of the merger agreement.

and provided that if the exceptions set forth in subclauses (i), (ii), or (vi) have a disproportionate impact on Costar and its subsidiaries, taken as a whole, compared to other companies that operate in the industries or geographies in which Costar and its subsidiaries operates, then such effects, changes, developments or occurrences may be taken into account in determining whether a Company Material Adverse Effect has occurred solely to the extent of such disproportionate impact.

In the merger agreement, Costar has made customary representations and warranties to IDIS that are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement. These representations and warranties relate to, among other things:

- the organization and qualification of Costar;
- Costar's capital structure and Costar's subsidiaries;
- Costar's power and authority to enter into the merger agreement and to consummate the transactions contemplated thereby;
- the accuracy of the Costar's financial statements and other accounting matters;
- the absence of certain changes with respect to Costar and its business since December 31, 2022;
- the absence of undisclosed liabilities;
- the status of pending or threatened litigation against Costar;
- Costar's compliance with applicable laws and possession of required permits;

- Costar's employee benefit plans and certain employee matters;
- Costar's compliance with certain tax-related matters;
- Costar's material contracts;
- Costar's intellectual property;
- Costar's valid title or leasehold interest in its properties and assets;
- Costar's compliance with environmental laws;
- Costar's top customers and suppliers and product warranties
- Costar's compliance with anti-corruption laws and export control laws;
- Costar's insurance policies; and
- the absence of finders' and brokers' fees, apart from the fees payable to Imperial Capital or its affiliates with respect to the merger agreement and the transactions contemplated thereby,

In addition, in the merger agreement, Costar acknowledges that IDIS and Merger Sub have not made any representations or warranties other than those expressly set forth in the merger agreement, and expressly disclaims reliance on any representation, warranty or other information regarding IDIS and Merger Sub, except IDIS and Merger Sub's express representations in the merger agreement.

In the merger agreement, IDIS and Merger Sub have made customary representations and warranties to Costar that are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement. These representations and warranties relate to, among other things:

- the organization and qualification of IDIS and Merger Sub;
- the power and authority of IDIS and Merger Sub to enter into the merger agreement and to consummate the transactions contemplated thereby;
- the status of pending or threatened litigation against IDIS and Merger Sub;
- the absence of finders' fees and transaction expenses with respect to the merger agreement and the transactions contemplated thereby; and
- the absence of prior business activities or operations by Merger Sub.

In addition, in the merger agreement, IDIS and Merger Sub acknowledge that Costar has not made any representations or warranties other than those expressly set forth in the merger agreement, and expressly disclaim

reliance on any representation, warranty or other information regarding Costar, except Costar's express representations in the merger agreement.

The representations and warranties contained in the merger agreement will not survive the consummation of the merger.

Conduct of Business Pending the Merger

The merger agreement provides that, except as (1) required by applicable law, (2) approved by IDIS (which approval will not be unreasonably withheld, conditioned or delayed); (3) expressly required by the merger agreement; or (4) disclosed in the confidential disclosure letter provided by Costar to IDIS and Merger Sub in connection with the merger agreement, during the period of time between the date of the merger agreement and the effective time of the merger (or earlier termination of the merger agreement), Costar will, and will cause each of its subsidiaries to use commercially reasonable efforts to:

(i) preserve its assets and business organization intact in all material respects;

(ii) maintain its existing business relations and goodwill with customers, suppliers, licensors, distributors, governmental authorities, employees (other than termination for cause) and business partners, in each case whose business relationships are material to Costar and its subsidiaries, taken as a whole;

(iii) pay accounts payable to Costar's suppliers consistent with past practice;

(iv) retain the services of Costar's executive officers and employees, in its reasonable business judgment; and

(v) maintain in effect all business licenses, permits, consents, franchises and approvals and authorizations necessary for the conduct of the business of Costar and its subsidiaries as conducted on the date of the merger agreement.

In addition, Costar has also agreed that, Costar will not, and will cause each of its subsidiaries not to, among other things (and in each case subject to certain exceptions):

- amend the certificate of incorporation or bylaws of Costar or its subsidiaries;
- implement stock splits and other capitalization adjustments, including issuing new equity;
- declare or pay dividends;
- make any extraordinary payments or enter into any material contract or any material service engagement contract, in each case outside of the Company's ordinary course of business and other than in a manner consistent with past practice;
- make certain changes to benefit plans and compensation;

- waive and release certain restrictive covenants;
- make loans or investments in third parties in excess of $50,000 in the aggregate;
- make acquisitions of businesses or assets;
- make material sales or dispositions outside the ordinary course of business;
- enter into new business lines;
- make changes to debt (except as otherwise contemplated by the merger agreement);
- modify material contracts or material supplier relationships; and
- make capital expenditures in excess of $100,000.

No Solicitation of Other Offers

Under the merger agreement, from the date of the merger agreement until the effective time of the merger (or the earlier termination of the merger agreement), Costar has agreed to, and to cause its subsidiaries and their representatives, to cease and cause to be terminated, all existing activities, discussions, negotiations and communications, if any, with any persons or their representatives with respect to any Company Acquisition Proposal (other than the IDIS transaction).

Under the terms of the merger agreement, from the date of the merger agreement until the effective time of the merger (or the earlier termination of the merger agreement), Costar will not, and will not permit its subsidiaries and their respective representatives to, directly or indirectly:

- initiate, seek, solicit, facilitate or knowingly encourage, or knowingly induce the making, submission or announcement of, any Company Acquisition Proposal;
- enter into, continue or otherwise participate in any negotiations or discussions with, or furnish or cause to be furnished any non-public information or data to, or furnish access to Costar's (or any of its subsidiaries') properties with respect to, any person (other than IDIS or any of its affiliates or representatives) relating to any Company Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to any Company Acquisition Proposal (other than informing any persons of these provisions), or grant any waiver or release under (or terminate, amend or modify any provision of) any confidentiality agreement to which the Costar is a party;
- execute or enter into any binding or non-binding letter of intent, agreement in principle, memorandum of understanding, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other agreement, commitment, arrangement or understanding relating to or in connection with, or that is intended to lead to, any Company Acquisition Proposal;

- submit to the Costar stockholders for their approval any Company Acquisition Proposal; or
- resolve to do, or agree or publicly announce an intention to do, any of the foregoing.

  - Notwithstanding these restrictions, prior to the adoption of the merger agreement by Costar stockholders, Costar and the Costar Board may, directly or indirectly through one or more of their representatives:
  - participate in negotiations or discussions with any third party that has made (and not withdrawn) a bona fide, unsolicited Company Acquisition Proposal in writing that did not result from a breach (or deemed breach) of certain merger agreement sections and the Company Board believes in good faith, after consultation with its financial advisors and outside legal counsel, constitutes or would reasonably be expected to result in a Superior Proposal;
  - thereafter furnish to such third party non-public information relating to the Costar or any of its subsidiaries pursuant to an executed confidentiality agreement (a copy of which confidentiality agreement shall be promptly (in all events within 24 hours) provided for informational purposes only to IDIS); and/or
  - take any action that any court of competent jurisdiction orders Costar to take (which order remains unstayed),

but in each case referred to in the foregoing bullets, only if the Costar Board determines in good faith, after consultation with its financial advisors and outside legal counsel, that the failure to take such action would reasonably be expected to cause the Costar Board to be in breach of any of its fiduciary duties under applicable law.

If Costar, its subsidiaries or its or their representatives receives an acquisition proposal (as defined below), an inquiry from any person related to making a potential acquisition proposal or any non-public information is requested from, at any time prior to the earlier to occur of the termination of the merger agreement and the effective time of the merger, Costar must promptly (and in all events by the later of 24 hours from the receipt thereof) advise IDIS of such acquisition proposal or request, including identity, and details of the material terms and conditions of, any such Company Acquisition Proposal, indication or request, including any proposed financing. Thereafter, Costar must keep IDIS reasonably informed, on a prompt basis, of the status and terms of any such offers or proposals (including any amendments thereto) and the status of any such discussions or negotiations.

For purposes of this proxy statement and the merger agreement:

  - “Company Acquisition Proposal” means any bona fide proposal or offer (whether or not in writing) from any person (other than IDIS or any of its subsidiaries) relating to, or that would reasonably be expected to lead to (in one transaction or a series of transactions), any:
    - merger, consolidation, share exchange, business combination, recapitalization, reorganization, dissolution, liquidation, joint venture or similar transaction involving

Costar or any Costar subsidiary, pursuant to which any person or group of related persons would beneficially own or control, directly or indirectly, fifteen percent (15%) or more (on a non-diluted basis) of any class of equity or voting securities of Costar or any resulting parent company of Costar;

- sale, lease, license or other disposition, directly or indirectly, of assets of Costar (including capital stock or other equity interests of any Costar subsidiary) or any Costar subsidiary, in each case, representing in the aggregate fifteen percent (15%) or more of the consolidated assets, net revenues or net income of the Costar and its subsidiaries taken as a whole;

- issuance or sale or other disposition of capital stock or other equity interests representing fifteen percent (15%) or more (on a non-diluted basis) of any class of equity or voting securities of Costar;

- tender offer, exchange offer or any other transaction or series of transactions that, if consummated, would result in any person or group of related persons, directly or indirectly, beneficially owning or having the right to acquire beneficial ownership of capital stock or other equity interests representing fifteen percent (15%) or more (on a non-diluted basis) of any class of equity or voting securities of Costar; or

- a combination of the foregoing.

The Costar Board's Recommendation; Costar Board Recommendation Change

The Costar Board has recommended that the holders of shares of common stock vote "FOR" the proposal to adopt the merger agreement. The merger agreement provides that the Costar Board will not effect a Costar Board recommendation change except as described below.

Except as set forth below, at no time after the date of the merger agreement may the Costar Board or a committee thereof (with any action described in the following (other than the final list item) being referred to as a "Costar Board recommendation change"):

- withdraw, qualify or modify in a manner adverse to IDIS, or publicly propose to withdraw, qualify or modify in a manner adverse to IDIS, the Costar Board's recommendation that Costar stockholders vote in favor of the transaction;

- approve, authorize, declare advisable, endorse or recommend (or publicly propose to approve, authorize, declare advisable, endorse or recommend) any Company Acquisition Proposal,

- fail to include in this proxy statement the Costar Board's recommendation that Costar stockholders vote in favor of the transaction; or

- fail to recommend against any Company Acquisition Proposal that is a tender or exchange offer within ten (10) business days after the commencement of such tender or exchange offer.

- Notwithstanding the restrictions described above, prior to the adoption of the merger agreement by stockholders, the Costar Board may, upon compliance with the procedures described below, effect a Costar Board recommendation change if:

- Costar receives a written Acquisition Proposal that did not result from a material breach of the relevant sections in the merger agreement;

- the Costar Board determines in good faith (after consultation with its outside legal and financial advisors) that such acquisition proposal is a Superior Proposal and determines in good faith (after consultation with outside legal counsel) that its failure to take such actions would be inconsistent with its fiduciary duties under applicable law; and

- If Costar determines to terminate the merger agreement, Costar has, prior to or substantially concurrently with, and as a condition to the effectiveness of, such termination, Costar has delivered written notice of termination to IDIS and, prior to or concurrently with such termination, paid to IDIS the Termination Fee,

provided that IDIS will be entitled to (but will not be obligated to) propose amendments to the terms of the transaction to match the Superior Proposal for a limited of time following notification by Costar of its intent to accept a Superior Proposal.

In addition, the merger agreement provides that Costar and IDIS will follow certain procedures to negotiate in good faith regarding the merger agreement in the context of an Acquisition Proposal and also in the case of certain intervening events.

Stockholder Meeting

Costar has agreed to prepare and mail this proxy statement related to the merger, and to take certain other actions related to the special meeting.

Employee Benefits

For a period of one year following the effective time of the merger, IDIS, Surviving Corp, or their respective affiliates will provide continuing employees with: (A) an annual base salary no less favorable to the annual base salary provided to such continuing employee immediately prior to the effective time of the merger, (B) cash bonus and cash incentive opportunities that are no less favorable than the cash bonus and cash incentive opportunities provided to such continuing employee as of immediately prior to the effective time of the merger (excluding equity

based compensation plans), (C) severance payments and benefits that are no less favorable than the severance payments and benefits to which such continuing employee would be entitled under the applicable benefit plan in effect as of immediately prior to the effective time of the merger, and (D) employee benefits that are comparable (in the aggregate) to the employee benefits (excluding for such purposes any defined benefit pension benefits and any equity based compensation plans) provided to such continuing employee as of immediately prior to the effective time of the merger.

Among other matters, IDIS further agreed to use commercially reasonable efforts to ensure that each continuing employee will receive full credit for service with Costar or any Costar subsidiary prior to the effective time of the merger for purposes of determining eligibility to participate, vesting and benefit accrual under the employee benefit plans, programs and policies of IDIS, the Surviving Corporation or any of their respective affiliates in which such continuing employee becomes a participant (excluding, for the avoidance of doubt, with respect to any defined benefit pension plan or employer subsidized retiree medical benefits).

Other Covenants

Under the merger agreement, Costar agreed to deliver to IDIS its 2022 audited financial statements prior to closing. The parties also agreed to use reasonable best efforts to cause the closing conditions to be satisfied (including making all necessary registrations and government filings). Further Costar agreed to use its reasonable best efforts to cause its stock to no longer be quoted on the OTC Market.

Indemnification and Insurance

The merger agreement provides that, for a period of six (6) years from and after the closing date, IDIS and the Surviving Corporation will provide officers' and directors' liability insurance with respect to acts or omissions occurring at or prior to the effective time of the merger covering each past and present officer and member of the Costar Board. The terms and coverage amounts of the liability insurance policy will be at least as favorable as the terms and coverage amounts of the liability insurance policy in effect on the date of the merger agreement, except that IDIS is not required to pay more than 200% of the current premium. In addition, the Surviving Corporation's certificate of incorporation and bylaws will contain provisions with respect to indemnification and exculpation that are at least as favorable to the past and present officers and directors of Costar as those provisions contained in the Certificate of Incorporation and the Bylaws in effect on the date of the merger agreement, and such provisions shall not be amended, repealed or otherwise modified for a period of six (6) years in any manner that would adversely affect the rights of the past and present officers and directors of the Company.

Conditions to the Closing of the Merger

The obligations of IDIS, Merger Sub and Costar to consummate the merger are subject to the satisfaction or waiver (where permitted by applicable law) of certain conditions, including the following:

- the adoption of the merger agreement by the requisite affirmative vote of Costar stockholders; and

- the consummation of the merger not being prohibited or enjoined (1) by a temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition, (2) by any governmental authority of competent jurisdiction or (3) by the enactment of any law.

- In addition, the obligations of IDIS and Merger Sub to consummate the merger are subject to the satisfaction or waiver (where permitted by applicable law) of each of the following additional conditions, any of which may be waived exclusively by IDIS:

- Subject to certain limitations and modifications, the representations and warranties of Costar contained in the merger agreement shall be true and correct except to the extent that such representations and warranties address matters only as of a particular date, in which case, as of such date), except, in each case, or in the aggregate, as has had not, and would not reasonably be expected to have, a Company Material Adverse Effect;

- Costar will have performed or complied in all material respects with its covenants and agreements contained in the merger agreement to be performed or complied with on or prior to the effective time of the merger;

- since the date of the merger agreement a Company Material Adverse Effect has not occurred;

- the Closing Indebtedness will not be greater than $13.3 million;

- the 2022 audited financial statements will have been delivered to IDIS and will not contain results that are materially and adversely different from the results presented in the 2022 unaudited financial statements;

- Costar will have entered into the executive officer retention agreements with the Costar executive officers;

- the number of dissenting shares held by dissenting shareholders will not exceed 5% of the total stock (as defined in the merger agreement); and

- the approval by CFIUS.

In addition, the obligations of Costar to consummate the merger are subject to the satisfaction or waiver (where permitted by applicable law) of each of the following additional conditions:

- Subject to certain limitations and modifications, the representations and warranties of IDIS and Merger Sub contained in the merger agreement shall be true and correct except to the extent that such representations and warranties address matters only as of a particular date, in which case, as of such date), except, in each case, or in the aggregate, as has had not, and would not reasonably be expected to have, a material adverse effect;

- Buyer and Merger Sub will have performed or complied in all material respects with each of their respective covenants and agreements contained in the merger agreement to be performed or complied with by it on or prior to the effective time of the merger; and
- IDIS will have paid off the loan outstanding under Costar's credit agreement further to arrangements to be agreed to in advance for the payout of this loan concurrent with the Effective Time.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the adoption of the merger agreement by Costar stockholders (except as otherwise provided in the merger agreement), in the following ways:

- by mutual written agreement of Costar and IDIS;
- by either Costar or IDIS if:
  - if the merger has not been consummated on or before 5:00 P.M. (New York City time) on June 23, 2023 (or extended to September 23, 2023 if the merger has not closed as a result of the CFIUS matters);
  - if the consummation of the merger not being prohibited or enjoined (1) by a temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition and such order is final and non-appealable, (2) by any governmental authority of competent jurisdiction or (3) by the enactment of any law; or
  - if Costar stockholder approval is not obtained.
- By Costar if:
  - if IDIS or Merger Sub has breached or failed to perform certain representations, warranties, covenants or other agreements set forth in the merger agreement result in the failure of certain conditions; or
  - at any time prior to the time at which Costar receives stockholder approval, if the Costar Board determines to enter into a definitive acquisition agreement with respect to a Superior Proposal.
- By IDIS if:
  - if Costar has breached or failed to perform certain representations, warranties, covenants or other agreements set forth in the merger agreement result in the failure of certain conditions; or

- on or prior to the date of the special meeting of Costar's Board changed its recommendation to vote in favor of the merger transaction, or if Costar materially breached its obligations relating to non-solicitation of other acquisition proposals.

In the event that the merger agreement is terminated pursuant to the termination rights above, the merger agreement will be of no further force or effect without liability of any party to the other parties (or their representatives), as applicable, except certain sections of the merger agreement will survive the termination of the merger agreement in accordance with their respective terms. Notwithstanding the foregoing, nothing in the merger agreement will relieve any party from any liability for any willful breach of the merger agreement, nor will any party be relieved from liability for its fraud. In addition, no termination of the merger agreement will affect the rights or obligations of any party pursuant to the confidentiality agreement between Costar and IDIS, which rights, obligations and agreements will survive the termination of the merger agreement in accordance with their respective terms.

Termination Fees

Costar has agreed to pay IDIS a termination fee of approximately $0.7 million if the merger agreement is terminated in specified circumstances.

IDIS will be entitled to receive the termination fee from Costar if:

- IDIS terminates the merger agreement due to the Costar Board changing its recommendation against the approval of the merger agreement;
- Costar terminates the agreement for a Superior Proposal; or
- Under certain specified circumstances in respect of an Acquisition Proposal announced prior to termination, IDIS or Costar terminates the merger agreement due to a failure to obtain stockholder approval and Costar is acquired within 12 months.

In addition, Costar has agreed to reimburse IDIS for reasonable and documented expenses up to $300,000 if stockholder approval is not obtained.

Specific Performance

Subject to the terms and conditions set forth in the merger agreement, Costar, Merger Sub and IDIS, respectively, are entitled to an injunction, specific performance and other equitable relief to prevent breaches (or threatened breaches) of the merger agreement and to enforce the terms of the merger agreement, in addition to any other remedy to which they are entitled at law or in equity.

Fees and Expenses

Except in specified circumstances, whether or not the merger is completed, Costar, on the one hand, and IDIS and Merger Sub, on the other hand, are each responsible for all of their respective costs and expenses incurred in connection with the merger agreement and the merger. IDIS or the surviving corporation will be responsible for all fees and expenses of the paying agent.

No Third Party Beneficiaries

The merger agreement is binding upon and inures solely to the benefit of each party thereto, and nothing in the merger agreement is intended to or will confer upon any other person any rights or remedies, except, at and after the effective time (1) benefits to the directors and officers who are intended to be third-party beneficiaries of certain terms of the merger agreement; and (2) the rights of the holders of shares of common stock or company options to receive merger consideration.

Amendment and Waiver

Subject to applicable law, the merger agreement may be amended in writing by the parties at any time, whether before or after adoption of the merger agreement by stockholders. However, after adoption of the merger agreement by stockholders, no amendment that requires further approval by such stockholders pursuant to the DGCL may be made without such approval.

At any time prior to the effective time, any party may extend the time for the performance of any of the obligations or other acts of the other parties, waive any inaccuracies in the representations and warranties in the merger agreement or waive compliance with any of the agreements or conditions contained in provisions of the merger agreement (subject to compliance with applicable law). Any agreement by a party to any such extension or waiver will be valid only if set forth in an instrument in writing signed by such party. Any delay in exercising any right pursuant to the merger agreement will not constitute a waiver of such right.

Governing Law; Venue

The merger agreement is governed by Delaware law. The exclusive venue for disputes relating to the merger and the guarantee is the Delaware Court of Chancery of the State of Delaware or, to the extent that the Delaware Court of Chancery of the State of Delaware does not have subject matter jurisdiction, any state or federal court in the State of Delaware.

Waiver of Jury Trial

Each of the parties irrevocably waived any and all right to trial by jury in any claim, complaint, action or legal proceeding arising out of or relating to the merger agreement, the merger, or the financing.

MISCELLANEOUS

Costar has supplied all information relating to Costar, and IDIS has supplied, and Costar has not independently verified, all of the information relating to IDIS and Merger Sub contained in this proxy statement.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROXY STATEMENT, THE ANNEXES TO THIS PROXY STATEMENT AND THE DOCUMENTS THAT WE INCORPORATE BY REFERENCE IN THIS PROXY STATEMENT IN VOTING ON THE ADOPTION OF THE MERGER AGREEMENT. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROXY STATEMENT. THIS PROXY STATEMENT IS DATED MAY 5, 2023. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROXY STATEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE (OR AS OF AN EARLIER DATE IF SO INDICATED IN THIS PROXY STATEMENT), AND THE MAILING OF THIS PROXY STATEMENT TO STOCKHOLDERS DOES NOT CREATE ANY IMPLICATION TO THE CONTRARY. THIS PROXY STATEMENT DOES NOT CONSTITUTE A SOLICITATION OF A PROXY IN ANY JURISDICTION WHERE, OR TO OR FROM ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE A PROXY SOLICITATION.

ANNEX A

AGREEMENT AND PLAN OF MERGER

by and among

IDIS CO., LTD.,

TPZ2023 ACQUISITION CORP.

ALAN B. HOWE, AS EQUITYHOLDERS' REPRESENTATIVE,

and

COSTAR TECHNOLOGIES, INC.

Dated as of March 23, 2023

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**"), dated as of March 23, 2023, is made by and among IDIS Co., Ltd., an entity organized under the laws of Korea ("**Buyer**"), TPZ2023 Acquisition Corp., a Delaware corporation and a wholly owned Subsidiary of Buyer ("**Merger Sub**"), Costar Technologies, Inc., a Delaware corporation (the "**Company**"), and Alan B. Howe, solely in its capacity as representative of the equityholders of the Company ("**Equityholders' Representative**"). Defined terms used in this Agreement have the respective meanings ascribed to them in Section 8.14.

W I T N E S S E T H:

WHEREAS, the respective boards of directors of Buyer, the Company (the "**Company Board**") and Merger Sub have approved and declared advisable and in the best interests of their respective stockholders, this Agreement and the transactions contemplated by this Agreement, including the merger of Merger Sub with and into the Company, with the Company surviving as a wholly owned Subsidiary of Buyer (the "**Merger**"), upon the terms and subject to the conditions and limitations set forth in this Agreement and in accordance with the General Corporation Law of the State of Delaware (the "**DGCL**");

WHEREAS, the Company Board has unanimously (i) determined that this Agreement and Merger is fair to, and in the best interests of, the Company and its stockholders, (ii) approved and declared advisable the execution, delivery and performance of this Agreement and the consummation of the Merger, (iii) resolved to recommend adoption of this Agreement and approval of the Merger by the stockholders of the Company and (iv) directed that the adoption of this Agreement be submitted to a vote of the Company's stockholders;

WHEREAS, concurrently with the execution and delivery of this Agreement and as an inducement to Buyer's willingness to enter into this Agreement, each of Buyer and certain stockholders of the Company have entered into a voting and support agreement in the form attached as Exhibit A hereto (the "**Voting and Support Agreement**"), pursuant to which, and subject to the terms and limitations thereof, among other things, the foregoing stockholders agreed to vote the shares of Company Common Stock beneficially owned by each of them in favor of the adoption of this Agreement and approval of the Merger and the other transactions contemplated hereby at the Company Stockholders' Meeting; and

WHEREAS, each of Buyer, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, agreements and covenants, and subject to the conditions, herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I

THE MERGER

Section 1.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL, at the Effective Time, the Company and Merger Sub shall consummate the Merger pursuant to which (a) Merger Sub shall be merged with and into the Company and the separate corporate existence of Merger Sub shall thereupon cease; (b) the Company shall be the surviving corporation in the Merger and shall continue to be governed by the Laws of the State of Delaware; and (c) the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall continue as a wholly owned subsidiary of Buyer. The corporation surviving the Merger is hereinafter referred to as the "**Surviving Corporation**." The Merger shall have the effects set forth herein and in the applicable provisions of the DGCL.

Section 1.2 The Closing. The closing of the Merger (the "**Closing**") shall take place at 10:00 a.m. (local time) on a date to be specified by the parties hereto, but no later than the second (2nd) Business Day after the satisfaction or (to the extent permitted by Law) waiver of the conditions set forth in ARTICLE VI (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by Law) waiver of such conditions), unless another time, date or place is agreed to in writing by the parties hereto (such date being the "**Closing Date**"). The Closing shall take place by the electronic transmission of signature pages.

Section 1.3 Effective Time. Concurrently with the Closing, the Company shall cause an appropriate certificate of merger with respect to the Merger (the "**Certificate of Merger**") to be executed, acknowledged and filed with the Delaware Secretary of State under section 251 of the DGCL, as provided under the DGCL. The Merger shall become effective at the time the Certificate of Merger has been duly filed with the Delaware Secretary of State or at such later date and time as is agreed between Buyer and the Company and specified in the Certificate of Merger (the time the Merger becomes effective being hereinafter referred to as the "**Effective Time**").

Section 1.4 Effect of Merger. As a result of the Merger and as at the Effective Time, (a) the separate corporate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation of the Merger (the "**Surviving Corporation**") and (b) the Merger shall have the effects set forth in this Agreement and in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, at the Effective Time, all of the property, rights, privileges and powers of the Company and Merger Sub shall vest in the Surviving Corporation, and all of the debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

Section 1.5 Certificate of Incorporation; Bylaws.

(a) At the Effective Time, the Certificate of Incorporation, as in effect immediately prior to the Effective Time, shall, by virtue of the Merger, be amended and restated in its entirety as set forth in Exhibit B hereto and, as so amended and restated, shall be the certificate of incorporation of the Surviving Corporation, until thereafter amended as provided by Law and such certificate of incorporation.

(b) At the Effective Time, the bylaws of Merger Sub, as in effect immediately prior to the Effective Time, shall, by virtue of the Merger, be amended and restated in its entirety as set forth in Exhibit C hereto and, as so amended and restated, shall be the bylaws of the Surviving Corporation, until thereafter amended as provided by Law, the certificate of incorporation of the Surviving Corporation and such bylaws.

Section 1.6 Board of Directors; Officers. The members of the board of directors of Merger Sub immediately prior to the Effective Time shall, from and after the Effective Time, be the members of the board of directors of the Surviving Corporation, and the officers of the Surviving Corporation shall be designated by Buyer immediately prior to the Effective Time, in each case to hold office, in accordance with the certificate of incorporation and bylaws of the Surviving Corporation, until the earlier of their death, resignation or removal or until their respective successors shall have been duly elected, designated or qualified.

Section 1.7 Closing Statement.

(a) No later than five (5) Business Days prior to the Closing Date, the Company shall prepare and deliver to Buyer a good faith written estimate (the "**Closing Statement**"), calculated as of the end of the Business Day immediately prior to the Closing Date and without taking into account the impact of the transactions contemplated by this Agreement (except to the extent the transactions contemplated by this Agreement impact the Transaction Expenses or Transaction Payments), of (i) the Closing Net Working Capital, (ii) the Closing Indebtedness, (iii) Transaction Expenses, and (iv) Transaction Payments, together with the Company's calculation as to the Closing Merger Consideration and the Closing Common Per Share Amount. The individual components of the Closing Statement shall be prepared in accordance with the Accounting Principles and in a manner consistent with, and using the same methodology used to calculate the Target Net Working Capital, even if such methodologies are not in conformity with GAAP.

(a) The Company will make available to Buyer prior to Closing all relevant books and records used in the preparation of the Closing Statement and will make available to Buyer the appropriate personnel involved in the preparation of such determination. The Company will permit Buyer to review and comment on the Closing Statement and shall consider in good faith such revisions as a reasonably requested by Buyer.

(b) If Buyer provides written notice to Company that it agrees to the Closing Statement, or if within five (5) Business Days following delivery of the Closing Statement, Buyer has not objected in writing thereto, then the items on such Closing Statement shall be final, binding and conclusive on the Parties

(b) If Buyer objects to the contents of the Closing Statement within such five (5) Business Day period by delivering written notice of such objection (a "**Closing Statement Dispute Notice**") to Company of any dispute Buyer has with respect to the contents of such Closing Statement, then Buyer and Company shall negotiate in good faith and attempt to resolve their disagreement for a period of ten (10) days following delivery of the Closing Statement Dispute Notice.

(c) The Closing Statement Dispute Notice must describe in reasonable detail the items contained in the Closing Statement that Buyer disputes, the basis for any such disputes and documentation supporting the reason for such dispute. Any items not disputed in the Closing Statement Dispute Notice will be deemed to have been accepted by the Buyer. Furthermore, if in the course of such negotiations between Buyer and Company, Buyer and Company agree on the disputed items, then such resolution shall be final, binding and conclusive on the Parties.

(c) Should such negotiations not result in an agreement within ten (10) days after the delivery date of the Closing Statement Dispute Notice, unless such date is otherwise extended by the mutual agreement of the parties, then the remaining disputed matters shall be submitted to Ernst & Young LLP ("**E&**Y"), or if E&Y is unable or unwilling to serve, then to an impartial nationally recognized firm of independent certified public accountants other than the Company's accountants or Buyer's or Buyer Parent's accountants (as applicable, the "**Accounting Firm**") to be resolved in accordance with the terms and standards set forth in this Section 1.7. The scope of the disputes to be resolved by the Accounting Firm shall be limited to the unresolved items in the Closing Statement Dispute Notice. In resolving any disputed item, the Accounting Firm shall act as an expert (and not as an arbiter) and may not assign a value to any item greater than the greatest value claimed for such item by either party or less than the smallest value claimed for such item by either party. Company and Buyer shall instruct the Accounting Firm to resolve the disputed items in accordance with the terms and standards set forth in this Section 1.7 and to deliver to Company and Buyer a written determination (such determination to include a worksheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Accounting Firm by Company and Buyer, or their respective designees) of the disputed items within thirty (30) days of the engagement of the Accounting Firm; such determination will be final, binding and conclusive on the Parties. All fees and expenses relating to appointment of the Accounting Firm and the work, if any, to be performed by the Accounting Firm shall be allocated to and borne by Buyer, on one hand, and Company, on the other hand, based on the inverse of the percentage that the Accounting Firm's determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Accounting Firm. For example, should the items in dispute total an amount equal to $1,000 and the Accounting Firm awards $600 in favor of the Company's position, 60% of the costs of its review shall be borne by Buyer and 40% of the costs would be borne by the Company.

(d) In the event that the Closing Net Working Capital is less than the Target Net Working Capital following the procedures set forth in Sections 1.7(a) through (f), as applicable, then the Closing Merger Consideration (as provided in the definition thereof) shall be adjusted downward by the amount by which the Closing Net Working Capital is less than the Target Net Working Capital. In the event that the Closing Net Working Capital is greater than the Target Net Working Capital, then the Closing Merger Consideration shall be adjusted upward by the amount by which the Closing Net Working Capital is greater than the Target Net Working Capital. The adjustments referred to in this Section 1.7(b) are referred to herein as the "**Working Capital Adjustment Amount**." For purposes of the Working Capital Adjustment Amount, any amounts related to Indebtedness shall be excluded from such adjustment calculation in accordance with the definition of Net Working Capital.

(d) In the event that the Closing Indebtedness is less than the Target Indebtedness following the procedures set forth in Sections 1.7(a) through (f), as applicable, then the Closing Merger

Consideration (as provided in the definition thereof) shall be adjusted upward by the amount by which the Closing Indebtedness is less than the Target Indebtedness. In the event that the Closing Indebtedness is greater than the Target Indebtedness, then the Closing Merger Consideration shall be adjusted downward by the amount by which the Closing Indebtedness is greater than the Target Indebtedness. The adjustments, if any, referred to in this Section 1.7(c) are referred to herein as the "**Indebtedness Adjustment Amount**."

Section 1.8 Transactions to be Effected Prior to and at the Closing.

(a) At the Closing, the Buyer shall, via transfer of immediately available funds to the accounts designated by the Company in the Flow of Funds Memorandum:

(i) pay or cause to be paid (on behalf of the Company) the amount of Closing Indebtedness, to the lender or lenders entitled thereto, in the amounts and in accordance with the instructions set forth in the applicable payoff letters, including the indebtedness outstanding under the Existing Credit Agreement; and

(ii) pay or cause to be paid the Equityholders' Representative Fund to Equityholders' Representative;

(iii) pay or cause to be paid (on behalf of the Company) all Transaction Expenses and Transaction Payments, each as reflected on the final Closing Statement;

(iv) pay or cause to be paid to the Paying Agent the amount of the Closing Merger Consideration as the Payout Fund pursuant to Section 2.2(a) of this Agreement; and

(v) deliver, or cause to be delivered, all other agreements, documents, instruments or certificates required to be delivered by any Buyer Party at or prior to the Closing pursuant to Section 6.3 of this Agreement.

(b) At the Closing, the Company shall deliver, or cause to be delivered, all agreements, documents, instruments or certificates required to be delivered by the Company at or prior to the Closing pursuant to Section 6.2 of this Agreement.

Section 1.9 Subsequent Actions. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation, its right, title or interest in, to or under any of the rights, properties or assets of either of the Company or Merger Sub vested in or to be vested in the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of either the Company or Merger Sub, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each such corporation or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement.

ARTICLE II

EFFECT OF THE MERGER ON CAPITAL STOCK; EXCHANGE OF BOOK ENTRY SHARES

Section 2.1 Effect on Capital Stock.

(a) Effect of Merger. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Buyer, Merger Sub or the holders of any Securities of the Company or Merger Sub:

(i) Company Common Stock. Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (each, a "**Share**" and collectively, the "**Shares**"), other than Canceled Shares and Dissenting Shares, shall be automatically converted into the right to receive, in accordance with the terms of this Agreement, (i) an amount in cash equal to the Closing Common Per Share Amount and (ii) the Post-Closing Common Per Share Amount, if, when and as paid. All treasury shares of the Company Common Stock that have been issued but are not outstanding will be cancelled without payment of any consideration.

(ii) Cancellation of Company Securities. Each share of Company Common Stock held by the Company as treasury stock or held directly by Buyer or any Subsidiary of Buyer (including Merger Sub) immediately prior to the Effective Time shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and no consideration or payment shall be delivered in exchange therefor or in respect thereof (such shares, "**Canceled Shares**").

(iii) Conversion of Merger Sub Capital Stock. Each share of common stock, par value $0.001 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one (1) fully paid share of common stock, par value $0.001 per share, of the Surviving Corporation and constitute the only outstanding shares of capital stock of the Surviving Corporation.

(b) Book Entry Shares. Each share of Company Common Stock to be converted into the right to receive the applicable Closing Common Per Share Amount and Post-Closing Common Per Share Amount as provided in Section 2.1(a) shall no longer be outstanding and shall be automatically canceled and shall cease to exist, and the holders of Shares, which immediately prior to the Effective Time represented such Company Common Stock, shall cease to have any rights with respect to such Company Common Stock other than the right to receive the applicable Closing Common Per Share Amount and Post-Closing Common Per Share Amount as provided in Section 2.2.

(c) Adjustments. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and the Effective Time, any change in the number or type of outstanding shares of Company Common Stock shall occur as a result of a reclassification, recapitalization, exchange, stock split (including a reverse stock split) or combination or readjustment of shares or any similar event or any stock dividend or stock distribution with a record date during such period, the applicable Closing Common Per Share Amount and Post-Closing Common Per

Share Amount and any other similarly dependent amounts and items, as the case may be, shall be appropriately adjusted to provide the same economic effect as contemplated by this Agreement prior to such event. Nothing in this Section 2.1(c) shall be construed to permit the Company to take any action that is otherwise prohibited or restricted by any other provision of this Agreement.

Section 2.2 Surrender of Certificates.

(a) Designation of Paying Agent; Deposit of Funds. Prior to the Closing, Buyer shall, at its sole cost and expense, enter into a customary paying agent agreement with a nationally recognized financial institution designated by Buyer that is reasonably acceptable to the Company (the "**Paying Agent**") for the payment of the Closing Merger Consideration and the Post-Closing Amount as provided in Section 2.1(a)(i). At or prior to the Effective Time, Buyer shall deposit or cause to be deposited with the Paying Agent, for payment in accordance with this ARTICLE II through the Paying Agent, cash in immediately available funds in an amount sufficient to pay the Closing Merger Consideration in exchange for all of the shares of Company Common Stock outstanding immediately prior to the Effective Time (other than Canceled Shares or Dissenting Shares) (the "**Payment Fund**"). The Payment Fund shall be invested by the Paying Agent if and as directed by Buyer or the Surviving Corporation pending payment thereof by the Paying Agent to the holders of the shares of Company Common Stock, provided, however, that no such investment or loss thereon shall affect the amounts payable to the holders of the shares of Company Common Stock pursuant to Section 2.1(a) and to the extent of any such loss, Buyer shall promptly fund additional cash amounts to the Paying Agent sufficient to enable payment of such amounts. Earnings from such investments shall be the sole and exclusive property of Buyer and the Surviving Corporation, and no part of such earnings shall accrue to the benefit of holders of shares of Company Common Stock.

(b) As promptly as reasonably practicable after the Effective Time (and in any event within five (5) Business Days after the Effective Time), Buyer shall cause the Paying Agent to mail to each holder of record of a certificate or certificates that represented Shares (the "**Certificates**") (i) a letter of transmittal (which shall specify that delivery of Certificates shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Paying Agent, and which shall be in the form and have such other customary provisions as Buyer may reasonably specify) and (ii) instructions (which instructions shall be in the form and have such other customary provisions as Buyer may reasonably specify) for use in effecting the surrender of the Certificates in exchange for cash in an amount equal to the applicable Closing Common Per Share Amount multiplied by the number of shares of Company Common Stock previously represented by such Certificates.

(c) Certificated Shares. Upon surrender of Certificates (or effective affidavit of loss in lieu thereof) for cancellation to the Paying Agent, together with a letter of transmittal duly completed and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Paying Agent, the holder of such Certificates shall be entitled to receive in exchange therefor and Buyer shall cause the Paying Agent to pay and deliver in exchange therefor as promptly as reasonably practicable, cash in an amount equal to the applicable Closing Common Per Share Amount multiplied by the number of shares of Company Common Stock previously represented by such Certificates, and the Certificates so surrendered shall be forthwith cancelled. Each Certificate shall automatically upon the Effective Time be entitled to receive in exchange therefor and Buyer shall cause the Paying Agent to pay and deliver in exchange therefor as promptly as reasonably practicable after the

Effective Time, cash in an amount equal to the applicable Closing Common Per Share Amount plus any Post-Closing Common Per Share Amount, multiplied by the number of shares of Company Common Stock previously represented by such Certificate. Until paid as contemplated by this Section 2.2(c), each Certificate shall be deemed, from and after the Effective Time, to represent only the right to receive the applicable Closing Common Per Share Amount as contemplated by this Section 2.2(c) and the Post-Closing Common Per Share Amount. The Paying Agent shall make such payments and deliveries with respect to Book-Entry Shares upon compliance with such reasonable terms and conditions as the Paying Agent may impose to effect an orderly exchange thereof in accordance with customary exchange practices. No interest shall be paid or accrued for the benefit of holders of the Book-Entry Shares on the cash amounts payable pursuant to this Section 2.2(c).

(d) Book-Entry Shares. Any holder of non-certificated shares of Common Stock represented by book-entry ("**Book-Entry Shares**") shall not be required to deliver a Certificate or an executed letter of transmittal to the Paying Agent to receive the Merger Consideration that such holder is entitled to receive pursuant. In lieu thereof, each registered holder of one or more such Book-Entry Shares shall automatically upon the Effective Time be entitled to receive, and the Surviving Corporation shall cause the Paying Agent to pay and deliver as soon as reasonably practicable after the Effective Time (and in any event, within five (5) Business Days thereafter), Closing Common Per Share Amount, multiplied by the number of Book-Entry Shares held. Payment of the Merger Consideration with respect to Book-Entry Shares shall only be made to the person in whose name such Book-Entry Shares are registered. Until surrendered as contemplated hereby, each Book-Entry Share shall be deemed at any time after the Effective Time to represent only the right to only the right to receive the applicable Closing Common Per Share Amount as contemplated by this Section 2.2(c) and the Post-Closing Common Per Share Amount.

(e) No Interest. No interest shall be paid or shall accrue on any cash payable to holders of Certificates or Book-Entry Shares pursuant to the provisions of this Article II.

(f) Unregistered Transfers. In the event of a transfer of ownership of Company Common Stock that is not registered in the transfer records of the Company, payment of the appropriate amount of the applicable Closing Merger Consideration may be made to a Person other than the Person in whose name the Book-Entry Share so surrendered is registered, if such Book-Entry Share shall be properly transferred and the Person requesting such payment shall pay any transfer or other Taxes required by reason of the payment to a Person other than the registered holder of such Book-Entry Share or establish to the satisfaction of Buyer that such Tax has been paid or is not applicable.

(g) Termination of Fund. Any portion of the Payment Fund made available to the Paying Agent, which remains undistributed to the holders of the Book-Entry Shares six (6) months after the Effective Time shall be delivered to the Surviving Corporation or its designee upon demand, and any such holders prior to the Merger who have not theretofore complied with this ARTICLE II shall thereafter look only to the Surviving Corporation as general creditor thereof for payment of their claims for the applicable Merger Consideration (subject to abandoned property, escheat or similar Laws).

(h) No Liability. None of Buyer, Merger Sub, Surviving Corporation, the Company or the Paying Agent shall be liable to any Person in respect of any applicable Merger Consideration delivered to a Governmental Authority pursuant to any applicable abandoned property, escheat or similar Law. If

any Book-Entry Share not paid, in each case, in accordance with Section 2.2(c), immediately prior to the date on which any Merger Consideration in respect of such Book-Entry Share would otherwise escheat to or become the property of any Governmental Authority under applicable Law, any such Merger Consideration in respect of such Book-Entry Share shall, to the extent permitted by applicable Law, become the property of the Surviving Corporation free and clear of all claims or interest of any Person previously entitled thereto.

(i) Withholding. Buyer, the Company, the Surviving Corporation, any of their applicable Subsidiaries, and the Paying Agent shall be entitled to deduct and withhold from the applicable Merger Consideration and any amounts otherwise payable pursuant to this Agreement such amounts as Buyer, the Company, the Surviving Corporation, any of their applicable Subsidiaries, or the Paying Agent is required to deduct and withhold with respect to the making of such payment under the Code or any provision of applicable Tax Law. Any amounts so withheld and paid over to an applicable Governmental Authority as required by applicable Law shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made by Buyer, the Company, the Surviving Corporation, any of their applicable Subsidiaries, or the Paying Agent.

(j) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, then upon (i) the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed, and (ii) if required by the Surviving Corporation, an indemnity bond in form and substance and with surety reasonably satisfactory to the Surviving Corporation, the Paying Agent shall pay in respect of such lost, stolen or destroyed Certificate the Merger Consideration to which the holder thereof is entitled pursuant to Section 2.01(a).

Section 2.3 Funding of Equityholders' Representative Expense Fund. At the Closing, Buyer shall transfer directly to the Equityholders' Representative in immediately available funds the Equityholders' Representative Expense Fund. The Equityholders' Representative Expense Fund shall be available to reimburse the Equityholders' Representative for expenses incurred by the Equityholders' Representative in accordance with Section 5.16.

Section 2.4 Company Options.

(a) Treatment of Company Options. Neither Buyer nor Merger Sub shall assume any Company Option or substitute for any Company Option any similar award for Buyer Common Stock in connection with the Merger and any of the other transactions contemplated by this Agreement.

(b) Cancellation and Conversion. At the Effective Time, each Company Option that is outstanding and unexercised immediately prior thereto, whether vested or unvested, shall by virtue of the Merger and without any action on the part of any holder of any Company Option be cancelled and converted into the right to receive from the Company at the Effective Time a cash payment (without interest) equal to:

(i) the product of (A) the excess, if any, of (1) the Closing Common Per Share Amount over (2) the per share exercise price of such Company Option, and (B) the number of shares of Company Common Stock subject to such Company Option as of the Effective Time, plus

(ii) the product of (x) the Post-Closing Common Per Share Amount, if, when and as paid, and (y) the number of shares of Company Common Stock subject to such Company Option as of the Effective Time, less

(iii) in each case, any applicable withholding Taxes required by applicable Law to be withheld.

(together, the "**Option Consideration**")

As of the Effective Time, all Company Options shall no longer be outstanding and shall automatically cease to exist, and each holder of a Company Option shall cease to have any rights with respect thereto, except the right to receive the Option Consideration. All such payments shall be subject to all applicable federal, state and local Tax withholding requirements. For the avoidance of doubt, if the exercise price payable in respect of a share of Company Common Stock underlying a Company Option equals or exceeds the Closing Common Per Share Amount plus the Post-Closing Common Per Share Amount, such Company Option shall be cancelled for no consideration immediately prior to the Effective Time and the holder thereof shall have no further rights with respect thereto. At the Effective Time, each Company Option, whether vested or unvested, that has an exercise price per Share that is greater than the Merger Consideration shall be canceled without the payment of consideration.

(c) Method of Payment. Any Option Consideration to which an employee or former employee of the Company or one of its Subsidiaries becomes entitled pursuant to Section 2.4(a), together with the employer portion of any payroll Taxes on such payment, shall be paid through the payroll of the Surviving Corporation or one of its Subsidiaries, or the Paying Agent, as applicable, as soon as reasonably practicable following the Effective Time (and in any event, within ten (10) Business Days after the Closing Date). Any Option Consideration to which any other person becomes entitled pursuant to Section 2.4(a) shall be paid by the Surviving Corporation or one of its Subsidiaries, as applicable (or, at the option of the Surviving Corporation, by the Paying Agent), as soon as reasonably practicable following the Effective Time (and in any event, within ten (10) Business Days after the Closing Date).

(d) Company Actions. Prior to the Effective Time, the Company shall provide such notice, if any, to the extent required under the terms of any of the Company Equity Plans, obtain any necessary consents or waivers, adopt applicable resolutions, amend the terms of any of the Company Equity Plans (or any outstanding awards thereunder), and take all other appropriate actions to (i) give effect to the transactions contemplated herein; (ii) terminate each of the Company Equity Plans as of the Effective Time; and (iii) ensure that after the Effective Time, no holder of a Company Option, any beneficiary thereof nor any other participant in any of the Company Equity Plans or any beneficiary thereof shall have any right thereunder to acquire any Securities of the Company or to receive any payment or benefit with respect to any award previously granted under any of the Company Equity Plans or, except as provided in Section 2.3. The Company shall provide Buyer with documentation evidencing the completion of the foregoing actions no later than the Business Day preceding the Effective Time.

Section 2.5 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, to the extent that holders of Company Common Stock are entitled to appraisal rights under Section 262 of the DGCL, any shares of Company Common Stock issued and outstanding immediately prior

to the Effective Time and held by a holder who has properly exercised and perfected his, her or its demand for appraisal rights under Section 262 of the DGCL and not effectively withdrawn or lost such holder's rights to appraisal (the "**Dissenting Shares**"), shall not be converted into or represent the right to receive the applicable Merger Consideration, but the holders of such Dissenting Shares ("**Dissenting Stockholders**") shall instead be entitled to receive such consideration as may be determined pursuant to Section 262 of the DGCL ("**Dissenter Payment**"); it being understood and acknowledged that at the Effective Time, such Dissenting Shares shall no longer be outstanding, shall automatically be canceled and shall cease to exist and such Dissenting Stockholder shall cease to have any rights with respect thereto other than the right to receive the consideration therefor as may be determined in accordance with Section 262 of the DGCL; provided, however, that if any such Dissenting Stockholder shall have failed to timely perfect or shall have waived, effectively withdrawn or lost his, her or its right to appraisal and payment under the DGCL (whether occurring before, at or after the Effective Time), or a court of competent jurisdiction shall have determined that such Dissenting Stockholder is not entitled to such right to appraisal and payment under Section 262 of the DGCL, such Dissenting Stockholder's Dissenting Shares shall thereupon be deemed to have been converted as of the Effective Time into the right to receive the applicable Merger Consideration, without any interest thereon, and such shares shall no longer be deemed to be Dissenting Shares. The Company shall give prompt notice to Buyer of any demands for appraisal of any shares of Company Common Stock, effective or attempted withdrawals of such demands and any other instruments served pursuant to the DGCL received by the Company relating to appraisal demands, and Buyer shall have the opportunity and right to participate in all discussions, negotiations and Proceedings, with respect to such demands. Prior to the Effective Time, the Company shall not, without the prior written consent of Buyer (such consent not to be unreasonably conditioned, delayed or withheld), voluntarily make any payment with respect to or settle or compromise or offer to settle or compromise any such demand or Proceeding, or agree in writing to do any of the foregoing.

Section 2.6 Transfers; No Further Ownership Rights. At the Effective Time, the stock transfer books of the Company shall be closed, and from and after the Effective Time, there shall be no registration of transfers on the stock transfer books of the Company of shares of Company Common Stock that were outstanding immediately prior to the Effective Time. If Certificates are presented to the Surviving Corporation, Buyer or the Paying Agent for transfer following the Effective Time, they shall be canceled against delivery of the applicable Merger Consideration, as provided for in Section 2.1(a), for each share of Company Common Stock formerly represented by such Book Entry Shares.

Section 2.7 Further Action. If, at any time after the Effective Time any further action is determined by Buyer or the Surviving Corporation to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation or Buyer with full right, title and possession of and to all rights and property of Merger Sub and the Company with respect to the Merger, the officers and directors of Buyer shall be fully authorized (in the name of Merger Sub, the Company, the Surviving Corporation and otherwise) to take such action.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed in the Company Disclosure Letter referenced therein, the Company hereby represents and warrants to Buyer and Merger Sub as follows:

Section 3.1 Organization; Qualification.

(a) The Company is (i) a corporation duly organized and validly existing under the Laws of the State of Delaware and has the requisite corporate power and authority to conduct its business as it is now being conducted and to own, lease and operate its properties and assets in the manner in which its properties and assets are currently operated and (ii) duly qualified or licensed to do business and is in good standing in each jurisdiction in which the character or location of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and in good standing has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. The Company's Certificate of Incorporation (the "**Certificate of Incorporation**") and Bylaws (the "**Bylaws**"), each as amended as of the date of this Agreement, have been made available to Buyer and are in full force and effect, and the Company is not in violation of any of the provisions thereof.

(b) Each of the Company's Subsidiaries is (i) a legal entity duly organized and validly existing under the Laws of the jurisdiction of its incorporation, formation or organization, as applicable, and has the requisite corporate or similar power and authority to conduct its business as it is now being conducted and to own, lease and operate its properties and assets in the manner in which its properties and assets are currently operated and (ii) duly qualified or licensed to do business and is in good standing in each jurisdiction in which the character or location of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and in good standing has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Except as has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the organizational or governing documents of each of the Company's Subsidiaries are in full force and effect, and none of the Company's Subsidiaries is in violation of any of the respective provisions thereof.

Section 3.2 Capitalization; Subsidiaries.

(a) As of the close of business on March 20, 2023 (the "**Capitalization Date**"), the authorized capital stock of the Company consisted of (i) 10,000,000 shares of Company Common Stock, 1,872,931 of which were issued and outstanding and 225,766 of which were held by the Company as treasury stock, and (ii) 10,000,000 shares of preferred stock of the Company, par value $0.001 per share ("**Company Preferred Stock**"), none of which were issued and outstanding. Except for the foregoing, there are no other classes of capital stock of the Company and, except for Company Options, there are no bonds, debentures, notes or other Indebtedness or Securities of the Company having the right to vote (or convertible into or exercisable for Securities having the right to vote) on any matters on which holders of

capital stock of the Company may vote authorized, issued or outstanding. As of the close of business on the Capitalization Date, there were (A) outstanding Company Options to purchase 60,000 shares of Company Common Stock; and (B) 162,227 shares of Company Common Stock reserved for future issuance under the Company Equity Plans. As of the close of business on the Capitalization Date, there were no outstanding Restricted Stock Awards. From the close of business on the Capitalization Date through the date of this Agreement, there have been (1) no issuances of any Company Stock or any other Securities of the Company other than issuances of shares of Company Common Stock pursuant to the exercise, vesting or settlement, as applicable, of any Company Options outstanding as of the close of business on the Capitalization Date in accordance with the terms of such Company Options and (2) no grants of any Company Options, Restricted Stock Awards or any other equity or equity-based awards.

(b) All of the issued and outstanding shares of Company Common Stock have been, and all of the shares of Company Common Stock that may be issued pursuant to any of the Company Options, and the Company Equity Plans will be, when issued in accordance with the respective terms thereof, duly authorized and validly issued and are, or will be when issued, fully paid, nonassessable and free of preemptive rights. The Company has made available to Buyer or its counsel accurate and complete copies of each of the stock option award agreements evidencing the Company Options (or a template form of such stock option award agreements if all stock option awards were made pursuant to the same template form agreement), and in respect of the foregoing forms, other than differences with respect to the number of shares of Company Common Stock covered thereby, the grant date, the exercise price, regular vesting schedule and expiration date applicable thereto, no such stock option or restricted stock award agreement contains material terms that are inconsistent with, or in addition to, such forms.

(c) Section 3.2(b) of the Company Disclosure Letter sets forth, as of the close of business on the Capitalization Date, each outstanding Company Option and to the extent applicable, (i) the name and country of residence (if outside the U.S.) of the holder thereof, (ii) the number of shares of Company Common Stock issued or issuable thereunder, (iii) the expiration date, (iv) the exercise price relating thereto, (v) the grant date, and (vi) the Company Equity Plan pursuant to which the award was made. Each grant of a Company Option was duly authorized no later than the date on which the grant of such Company Option was by its terms to be effective (the "**Company Option Grant Date**") by all necessary corporate action, including, as applicable, approval by the Company Board (or a duly constituted and authorized committee thereof or other authorized designee) and any required stockholder approval by the necessary number of votes or written consents. The Company does not have any liability in respect of any Company Option that was granted with a per share exercise price that was less than the fair market value of a share of Company Common Stock on the applicable Company Option Grant Date, and the Company has not granted any Company Options that are subject to the provisions of Section 409A of the Code. Each grant of a Company Option was made in all material respects, as applicable, in accordance with (A) the terms of the applicable Company Equity Plan, (B) all applicable securities Laws, (C) the Code, and (D) all other applicable Laws. The Company has the requisite authority under the terms of the applicable Company Equity Plan, the applicable award agreements and any other applicable Contract to take the actions contemplated by Section 2.3, and the treatment of Company Options described in Section 2.3, shall, as of the Effective Time, be binding on the holders of Company Options purported to be covered thereby. All of the outstanding Company Common Stock has been sold pursuant to an effective registration statement filed under the federal securities Laws or an appropriate exemption therefrom. No Subsidiary of the Company owns any Securities of the Company.

(d) As of the date of this Agreement, other than as set forth in <u>Section 3.2(b)</u> of the Company Disclosure Letter in respect of the Company Options, there are no (i) existing options, warrants, calls, preemptive rights, subscriptions or other Securities or rights, stock appreciation rights, restricted stock awards, restricted stock awards, convertible Securities, agreements, arrangements or commitments of any kind obligating the Company or any of its Subsidiaries to issue, transfer, register or sell, or cause to be issued, transferred, registered or sold, any shares of capital stock of, or other Securities of, the Company or any of its Subsidiaries or Securities convertible into or exchangeable for such shares or other Securities, or obligating the Company or any of its Subsidiaries to grant, extend or enter into such options, warrants, calls, preemptive rights, subscriptions or other Securities or rights, stock appreciation rights, restricted stock awards, restricted stock awards, convertible Securities, agreements, arrangements or commitments; (ii) outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Securities of the Company or any of its Subsidiaries, or any Securities representing the right to purchase or otherwise receive any other Securities of the Company or any of its Subsidiaries; or (iii) outstanding or authorized equity or equity-based compensation awards, including any equity appreciation rights, Security-based performance units, "phantom" stock, profit-participation or other Security rights issued by the Company or any of its Subsidiaries, or other agreements, arrangements or commitments of any character (contingent or otherwise) to which the Company or any of its Subsidiaries is party, in each case pursuant to which any Person is entitled to receive any payment from the Company or any of its Subsidiaries based in whole or in part on the value of any Securities of the Company or any of its Subsidiaries.

(e) Each Subsidiary of the Company existing on the date of this Agreement is listed on <u>Section 3.2(e)</u> of the Company Disclosure Letter. The Company owns, beneficially and of record, directly or indirectly, all of the issued and outstanding company, partnership, corporate or similar (as applicable) ownership, voting or similar Securities or interests in each such Subsidiary, free and clear of all Liens, and all company, partnership, corporate or similar (as applicable) ownership, voting or similar Securities or interests of each of the Subsidiaries are duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights. The Company has made available to Buyer true and correct copies of the currently effective corporate or other organizational documents for each Subsidiary. Except for investments in cash equivalents (and ownership by the Company or its Subsidiaries of Securities of the Subsidiaries of the Company), none of the Company or any of its Subsidiaries (i) owns directly or indirectly any Securities or interests or (ii) has any obligation or has made any commitment to acquire any Securities or interests of any Person or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any Person.

(f) All dividends or distributions on any Securities of the Company or any of its Subsidiaries that have been declared or authorized have been paid in full.

(g) As of the date of this Agreement, there are no existing (i) agreements or commitments of any kind with any Person to which the Company or any of its Subsidiaries is party (A) restricting the transfer of the Securities of the Company or any of its Subsidiaries or (B) affecting the voting rights of Securities of the Company or any of its Subsidiaries (including stockholder agreements, voting trusts or similar agreements), (ii) agreements or commitments of any kind obligating the Company or any of its Subsidiaries to register or cause to be registered any shares of Company Stock, or other Securities, of the Company or any of its Subsidiaries or Securities convertible into or exchangeable for such shares or

other Securities or (iii) stockholder rights plans or similar plans commonly referred to as a "poison pill," under which the Company is or may become obligated to sell or otherwise issue any shares of its capital stock or any other Securities.

Section 3.3 Authority Relative to Agreement.

(a) The Company has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement and other Transaction Documents and, subject (in the case of the Merger) to obtaining the Company Stockholder Approval, to consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and other Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated by this Agreement, have been duly and validly authorized by all necessary corporate action by the Company, and (in the case of the Merger, except for the (i) receipt of the Company Stockholder Approval and (ii) filing of the Certificate of Merger with the Delaware Secretary of State) no other corporate action or proceeding on the part of the Company is necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by the Company and, assuming due authorization, execution and delivery of this Agreement by the other parties hereto, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that (A) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, affecting creditors' rights and remedies generally and (B) the remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any Proceeding therefor may be brought (the "**Enforceability Exceptions**").

(b) The Company Board has, by resolutions adopted by the Company Board, (i) approved this Agreement and the Merger and the transactions contemplated by this Agreement; (ii) determined that this Agreement and the Merger and the transactions contemplated by this Agreement are advisable and in the best interests of the Company and its stockholders; (iii) directed that the adoption of this Agreement be submitted to a vote at the Company Stockholders' Meeting; and (iv) resolved to make the Company Recommendation. As of the date of this Agreement, none of the aforesaid actions by the Company Board has been amended, rescinded or modified.

(c) As of the date of this Agreement, no "fair price", "moratorium", "control share acquisition", "interested stockholder" or other anti-takeover Law (including Section 203 of the DGCL), or any comparable anti-takeover provisions of the Company Charter or the Company Bylaws, would reasonably be expected to restrict or prohibit the execution of this Agreement, each party performing its obligations hereunder or the consummation of the Transaction.

Section 3.4 Vote Required. The affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock (the "**Company Stockholder Approval**") is the only vote or consent, as applicable, of holders of Securities of the Company that is required to authorize this Agreement or to consummate the Merger and the other transactions contemplated by this Agreement.

Section 3.5 No Conflict; Required Filings and Consents.

(a) Neither the execution and delivery of this Agreement by the Company nor the consummation by the Company of the transactions contemplated by this Agreement, nor compliance by the Company with any of the terms or provisions of this Agreement, will (i) violate any provision of (A) the Company's Certificate of Incorporation or Bylaws or (B) the certificate of incorporation or bylaws (or equivalent organizational documents) of any Subsidiary of the Company (assuming, in each case, with respect to the consummation of the Merger that the Company Stockholder Approval is obtained), (ii) assuming that the Consents, registrations, declarations, filings and notices referenced in Section 3.5(b) have been obtained or made, conflict with or violate any Law applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected or (iii) violate, conflict with or result in any breach of any provision of, or loss of any benefit, or constitute a default (with or without notice or lapse of time, or both) under, give rise to any right of termination, acceleration or cancellation of or require the Consent of, notice to or filing with any third Person pursuant to any of the terms or provisions of any material Contract to which the Company or any of its Subsidiaries is a party (other than a Benefit Plan) or by which any property or asset of the Company or any of its Subsidiaries is bound, or result in the creation of a Lien, other than any Permitted Lien, upon any of the property or assets of the Company or any of its Subsidiaries, other than, in the case of clauses, (ii) and (iii), that has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) No consent, approval, license, permit, waiver, Order or authorization (a "**Consent**") of, registration, submission, declaration or filing with or notice to any Governmental Authority is required to be obtained or made by or with respect to the Company or any of its Subsidiaries in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated by this Agreement, other than (i) such filings and approvals as may be required by any federal or state securities Laws; (ii) the filing of the Certificate of Merger with the Delaware Secretary of State; and (iii) such other Consents, registrations, declarations, filings or notices the failure of which to be obtained or made has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.6 Financial Statements.

(a) Neither the Company, nor any Subsidiary of the Company, is subject to the periodic reporting requirements of the Exchange Act. There are no formal internal investigations pending, nor, to the Company's Knowledge, any SEC or FINRA inquiries or investigations or other inquiries or investigations by any Governmental Authority that are pending or threatened. The Company has terminated the registration of its common stock in accordance with the requirements of the Exchange Act and has not received any notice from the Securities Exchange Commission challenging the termination of the registration. The Company is in material compliance with respect to all reporting obligations under the requirements of OTC Markets.

(b) Each of the consolidated audited financial statements of the Company as of and for the fiscal years ended December 31, 2021 and December 31, 2020 (the "**2021 Audited Financial Statements**") and the consolidated unaudited financial statements as of and for the fiscal year ended

December 31, 2022 (“**2022 Unaudited Financial Statements**” and, with the 2021 Audited Financial Statements, the “**Financial Statements**”)), each as delivered to Buyer, (i) have been derived from the accounting books and records of the Company and its Subsidiaries; (ii) have been prepared in accordance with GAAP, in all material respects, applied on a consistent basis during the periods involved (except as may be indicated in such financial statements or in the notes thereto); and (iii) present fairly, in all material respects, the financial position of the Company, and the results of operations and cash flows of the Company, as of the times and for the periods referred to therein (except as may be indicated in the notes thereto and subject, in the case of unaudited interim financial statements, to normal and recurring year-end adjustments and the absence of footnote disclosure, none of which, individually or in the aggregate, are material).

(c) Prior to the date of this Agreement, the Company has furnished to Buyer complete and correct copies of all the Financial Statements.

(d) The Company maintains a system of internal control over financial reporting designed to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of financial statements for external purposes in conformity with GAAP.

(e) As of the date of this Agreement, there are no Proceedings pending or, to the Knowledge of the Company, threatened, in each case regarding any accounting practices of the Company or any of its Subsidiaries or any malfeasance by any director or executive officer of the Company or any of its Subsidiaries. Since January 1, 2020 through the date of this Agreement, there have been no investigations regarding accounting, auditing or revenue recognition discussed with, reviewed by or initiated at the direction of the chief executive officer, chief financial officer, chief accounting officer or general counsel of the Company or any of its Subsidiaries or the Company Board, any board of directors of any of its Subsidiaries or any committee of the Company Board or any board of directors of any of its Subsidiaries.

(f) Since January 1, 2022, neither the Company nor any of its Subsidiaries has received any written or, to the Knowledge of the Company, oral complaint, allegation, assertion or claim regarding accounting, internal accounting controls, auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries, or unlawful accounting or auditing matters with respect to the Company or any of its Subsidiaries.

(g) Neither the Company nor any of its Subsidiaries is a party to, or is subject to any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among the Company and any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate, on the other hand), including any structured finance, special purpose or limited purpose entity or Person, or any “off-balance sheet arrangements” (as described in Item 303(b) of Regulation S-K promulgated under the Exchange Act), in each case, where the result, purpose or effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Company or any of its Subsidiaries in the Company’s audited financial statements and unaudited interim financial statements of the Company.

(h) As of the Agreement Date, the Net Working Capital is sufficient for the Company's business.

Section 3.7 Absence of Certain Changes or Events. Since December 31, 2022 through the date of this Agreement, (a) except for the negotiation, execution and delivery of this Agreement, the respective businesses of the Company and its Subsidiaries have been conducted in the ordinary course of business consistent with past practice in all material respects, (b) (i) the Company has not suffered a Company Material Adverse Effect and (ii) there has been no effect, change, development, event, circumstance, occurrence, condition, fact or state of facts that would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect and (c) neither the Company nor any of its Subsidiaries has taken any action that, if taken after the date of this Agreement, would have constituted a breach of subsections (i), (ii), (iv),(vii), (ix), (x), (xi), (xiv)(xvi), (xvii), (xviii), (xix), (xxiii), (xxiv), (xxv), or (xxvi) of Section 5.1(b).

Section 3.8 No Undisclosed Liabilities. Except for liabilities or obligations (a) reflected or reserved against in the Company's consolidated balance sheet as of December 31, 2022 (or the notes thereto), a copy of which has been delivered to Buyer; (b) incurred in connection with or contemplated by this Agreement or the transactions contemplated by this Agreement; (c) incurred in the ordinary course of business since December 31, 2022, none of which individually or in aggregate has or would reasonably be expected to have a Company Material Adverse Effect; or (d) set forth in any Contract existing as of the date hereof, which are not required to be disclosed or provided for in such consolidated balance sheet described in the foregoing clause (a), except to the extent such liabilities or obligations resulted from a breach of such Contract, none of the Company or any of its Subsidiaries has any liabilities or obligations of any nature, whether or not accrued, contingent, absolute or otherwise and whether or not required to be reflected on a consolidated balance sheet of the Company (or the notes thereto) in accordance with GAAP.

Section 3.9 Litigation.

(a) As of the date of this Agreement, except as disclosed in Section 3.9 to the Company Disclosure Letter, (a) there is no Proceeding pending or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries or any asset or property of the Company or any of its Subsidiaries, and (b) there is no Order outstanding against, or involving, the Company or any of its Subsidiaries or any asset or property of the Company or any of its Subsidiaries. As of the date of this Agreement, except as disclosed in Section 3.9 to the Company Disclosure Letter (i) there is no Proceeding pending or, to the Knowledge of the Company, threatened against any officer or director of the Company or any of its Subsidiaries (in their capacities as such or relating to their employment, services or relationship with the Company or any of its Subsidiaries), and (ii) there is no Order outstanding against, or involving, any officer or director of the Company or any of its Subsidiaries (in their capacities as such or relating to their employment, services or relationship with the Company or any of its Subsidiaries).

(b) Since January 1, 2020, except as disclosed in Section 3.9 to the Company Disclosure Letter, there have not been any product liability, manufacturing or design defect, warranty, field repair or other material product-related claims by any third Person (whether based on contract or tort and whether relating to personal injury, including death, property damage or economic loss) arising

from (A) services rendered by the Company or any of its Subsidiaries or (B) the sale, distribution or manufacturing of products, by the Company or any of its Subsidiaries that have been, or would reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole.

(c) As of this date hereof, neither the Company nor any of its Subsidiaries has any material Proceedings pending or threatened against any other Person.

(d) This Section 3.9 shall not be construed as a representation with respect to Tax matters, which are the subject of Section 3.14.

Section 3.10 Permits; Compliance with Laws.

(a) Section 3.10(a) of the Company Disclosure Letter sets forth a list of all material franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, exemptions, consents, certificates, approvals, product listings, registrations, clearances, Orders and other authorizations held by the Company and its Subsidiaries in respect of their respective businesses, properties and assets (the "**Company Permits**"). The Company Permits constitute all material franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, exemptions, consents, certificates, approvals, product listings, registrations, clearances, Orders and other authorizations necessary for the Company and its Subsidiaries to own, lease and operate their respective properties and assets pursuant to all applicable Laws as currently owned, leased and operated, or to carry on their respective businesses as now being conducted under and pursuant to all applicable Laws. As of the date of this Agreement and to the knowledge of the Company, all Company Permits are in full force and effect and(no suspension, cancellation, withdrawal or revocation thereof is pending or, to the Knowledge of the Company, threatened.

(b) Other than as disclosed in Section 3.10(b) of the Company Disclosure Letter, the Company and its Subsidiaries have been since January 1, 2020, and are in compliance, in all material respects, with (i) all applicable Laws and (ii) all Company Permits. In furtherance and not in limitation of the foregoing, the Company has been in compliance, in all material respects, with all state, local, federal and other Laws relating to COVID-19, including any Laws relating to the closure of businesses.

(c) Since January 1, 2020, none of the Company or any of its Subsidiaries or, to the Knowledge of the Company, any of their respective directors or officers (only in their capacity as such directors or officers) has received any written or, to the Knowledge of the Company, oral notification from a Governmental Authority asserting that the Company or any of its Subsidiaries, or any officer or director of the Company or any of its Subsidiaries is under investigation for not being in compliance in all material respects with any Laws or Company Permits, in each case that has not been fully cured or remedied in all material respects.

Section 3.11 Proxy Statement. None of the information supplied or to be supplied by or on behalf of the Company for inclusion or incorporation by reference in the proxy statement of the Company (as amended or supplemented from time to time, the "**Proxy Statement**") for use in connection with the solicitation of proxies from the stockholders of the Company in connection with the Merger and the Company Stockholders' Meeting will contain any untrue statement of a material fact or omit to state

any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading at the time such Proxy Statement is first mailed to stockholders of the Company and at the time of the Company Stockholders' Meeting. The Proxy Statement will comply as to form in all material respects with the requirements of applicable Laws.

Section 3.12 Employee Benefit Plans.

(a) Section 3.12(a) of the Company Disclosure Letter contains a list of all material Benefit Plans. "**Benefit Plan**" shall mean (i) each "employee pension benefit plan" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")); (ii) each "employee welfare benefit plan" (as defined in Section 3(1) of ERISA); and (iii) all other material benefit plans, policies, programs, agreements or arrangements, including any bonus, deferred compensation, severance pay, retention, change in control, employment (other than offer letters which provide for "at will" employment that do not contain severance obligations), consulting, pension, profit-sharing, retirement, insurance, stock purchase, stock option, incentive or equity compensation or other fringe benefit plan, program, policy, agreement, arrangement or practice maintained, contributed to or required to be contributed to, by the Company or any of its Subsidiaries, for the benefit of any current or former employees, officers or directors (or any beneficiary or dependent thereof) of the Company or any Subsidiary. The Company has delivered or made available to Buyer and Merger Sub copies of (A) each material Benefit Plan (including all amendments thereto) or written description of each Benefit Plan that is not otherwise in writing; (B) the most recent annual reports on Form 5500 and all schedules thereto filed with respect to each Benefit Plan, to the extent applicable; (C) the most recent summary plan description and summary of material modifications for each Benefit Plan, to the extent applicable; (D) each current trust agreement, insurance contract or policy, group annuity contract and any other funding arrangement relating to any Benefit Plan, to the extent applicable; (E) the most recent actuarial report, financial statement or valuation report, to the extent applicable; (F) a current Internal Revenue Service opinion or favorable determination letter, to the extent applicable; (G) all material non-routine correspondence to or from any Governmental Authority relating to any Benefit Plan for the last two (2) years; and (H) all discrimination tests for each Benefit Plan for the most recent plan year, to the extent applicable.

(b) Each Benefit Plan is and has at all times been operated and administered in all material respects in accordance with its terms and in compliance in all material respects with applicable Law, including ERISA, the Code and the Patient Protection and Affordable Care Act. All material claims incurred with a date of service on or before the Closing Date under any Benefit Plan that is an "employee welfare benefit plan" as defined in Section 3(1) of ERISA that is self-insured will be paid by the Company or accrued on the Company financial statements no later than the Closing Date.

(c) Each Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code has received a determination letter or can rely on an opinion letter for a prototype plan from the Internal Revenue Service that such Benefit Plan is so qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code, and, to the Knowledge of the Company, no condition exists that would be expected to adversely affect such qualification.

(d) None of the Benefit Plans is, and none of the Company, its Subsidiaries or any ERISA Affiliate has ever maintained or had an obligation to contribute to, (i) a "single employer plan" (as such term is defined in Section 4001(a)(15) of ERISA) subject to Section 412 of the Code or Title IV of ERISA; (ii) a "multiple employer plan" or "multiple employer welfare arrangement" (as such terms are defined in ERISA); (iii) a welfare benefit fund (as such term is defined in Section 419 of the Code); (iv) a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA); or (v) a voluntary employees' beneficiary association under Section 501(c)(9) of the Code. There are no material unpaid contributions due prior to the date of this Agreement with respect to any Benefit Plan that are required to have been made under the terms of such Benefit Plan, any related insurance contract or any applicable Law and all material contributions due have been timely made, or to the extent not yet due, have been properly accrued on the applicable balance sheet in accordance with the terms of the applicable Benefit Plan and applicable Law.

(e) None of the Company or any of its Subsidiaries has engaged in a non-exempt "prohibited transaction" (as such term is defined in Section 406 of ERISA and Section 4975 of the Code) or breached any fiduciary duties with respect to any Benefit Plan that reasonably would be expected to subject the Company, any of its Subsidiaries or the Surviving Corporation to any material tax or penalty.

(f) With respect to any Plan, as of the date of this Agreement, the Company and its Subsidiaries have made all contributions or other amounts payable by the Company or any Subsidiary with respect to each Plan.

(g) With respect to any Benefit Plan, there is no Proceeding pending, or, to the Knowledge of the Company, threatened in writing with or by the Internal Revenue Service, the United States Department of Labor or any other Governmental Authority, other than routine claims for benefits, in each case, that would reasonably be expected to subject the Company, any of its Subsidiaries or the Surviving Corporation to any material liability.

(h) Neither the Company nor any of its Subsidiaries has any obligations to provide any health or other welfare benefits (whether or not insured) to retired or other former employees, directors or consultants, except as specifically required by Part 6 of Title I of ERISA ("**COBRA**") or, pursuant to an applicable employment agreement or severance agreement, plan or policy listed in Section 3.12(h) of the Company Disclosure Letter requiring the Company or any Subsidiary to pay or subsidize COBRA premiums for a terminated employee following the employee's termination.

(i) Each Benefit Plan that is a group health plan is being and has been operated and administered in material compliance with the Patient Protection and Affordable Care Act (including the reporting requirements of Sections 6055 and 6056 of the Code). None of the Company or its Subsidiaries has incurred or will incur any material liability under Sections 4980D and 4980H of the Code and its governing regulations and no event has occurred and no circumstance exists or has existed that could reasonably be expected to give rise to the incurrence of such material liability.

(j) Except as set forth on Section 3.12(j) of the Company Disclosure Letter, neither the execution and delivery of this Agreement nor the consummation of the Merger or any of the other transactions contemplated hereby, or any termination of employment or service (or other event or

occurrence) in connection therewith will (i) entitle any current or former employee, director or consultant of the Company or any of its Subsidiaries to any payment or benefit (or result in the funding of any such payment or benefit) or result in any forgiveness of Indebtedness with respect to any such persons; (ii) increase the amount of any compensation, equity award or other benefits otherwise payable by the Company or any of its Subsidiaries; or (iii) result in the acceleration of the time of payment, funding or vesting of any compensation, equity award or other benefits except as required under Section 411(d)(3) of the Code.

(k) Except as set forth on Section 3.12(k) of the Company Disclosure Letter, no amounts payable by the Company or any of its Subsidiaries in connection with the transactions contemplated hereby will be an "excess parachute payment" within the meaning of Section 280G of the Code. Neither the Company nor any of its Subsidiaries has any obligation to gross-up, indemnify or otherwise reimburse any individual with respect to any Tax under Sections 409A or 4999 of the Code.

(l) To the extent applicable, each Benefit Plan has been maintained in documentary compliance with, and has been operated and administered in material compliance with, Section 409A of the Code.

(m) Each Company Stock Option (A) was granted in compliance with all applicable Laws and all of the terms and conditions of the Company Stock Plan, (B) in the case of Company Stock Options, has an exercise price per Share equal to or greater than the fair market value of a Share on the date of such grant and (C) qualifies for the Tax and accounting treatment afforded to such Company Stock Option in the Tax Returns.

Section 3.13 Labor and Employment Matters.

(a) (i) There is no labor strike, material dispute, organized slowdown, stoppage or lockout pending, or, to the Knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, nor has there been any such action or event since January 1, 2020; (ii) neither the Company nor any of its Subsidiaries is a party to, bound by or in the process of negotiating any labor, collective bargaining, works council or similar agreement regarding the employees of the Company or any of its Subsidiaries (each, a "**Labor Agreement**"); (iii) as of the date hereof, there are no unfair labor practice charges or material grievances relating to any current or former employee or consultant of the Company or any of its Subsidiaries (relating to their services for or relationship with the Company or its Subsidiaries); and (iv) as of the date hereof, none of the employees of the Company or any of its Subsidiaries is represented by any labor union, works council, employee representative group or similar organization (whether in or outside the United States) with respect to their employment with the Company or any of its Subsidiaries and, to the Knowledge of the Company, there are not, as of the date hereof, any union organizing activities, either by or on behalf of any employee or union or similar labor organization with respect to employees of the Company or any of its Subsidiaries. There is no labor union, work council, employee representative group or similar organization which, pursuant to applicable Law or any governing agreement, must be notified, consulted or with which negotiations need to be conducted in connection with the Merger.

(b) The Company and its Subsidiaries are, and since January 1, 2020, have been, in compliance, in all material respects, with all applicable Laws relating to labor and employment matters, including fair employment practices, equal employment opportunity, disability rights, affirmative action, terms and conditions of employment, consultation with employees, immigration and work authorization, wages, hours (including, but not limited to, overtime and minimum wage requirements and child labor restrictions), social contributions (including the payment and withholding of U.S. social security and similar Taxes), compensation, workers' compensation, unemployment insurance, classification of employees, workers and individual independent contractors, employee leaves of absence, data protection, privacy, occupational safety and health, collective or mass layoffs and plant closings.

(c) There are currently no actions, proceedings, disputes, charges, lawsuits, arbitrations, or investigations pending or, to the Knowledge of the Company, threatened against or by the Company before any Governmental Authority involving the Company or any Subsidiary or, to the Knowledge of the Company, by or against any of their respective current or former employees or consultant of the Company and relating to the Company.

(d) Since January 1, 2020, there have been no allegations received by the Company, investigations or charges of sexual or other unlawful harassment or discrimination in employment or employment practices pending or, to the Knowledge of the Company, threatened against the Company or any Subsidiary before any Governmental Authority.

(e) To the Knowledge of the Company, no executive officer or employee at the level of Vice President (or any similarly-leveled employee) or above of the Company or any of its Subsidiaries (i) is subject to any noncompete, nonsolicitation, nondisclosure, confidentiality, employment, consulting or similar agreement with any other Person in conflict with the present and proposed business activities of the Company and its Subsidiaries, except agreements between the Company or any Subsidiary of the Company; or (ii) as of the date hereof, is in violation of any common law nondisclosure obligation or fiduciary duty relating to the ability of such individual to work for the Company or any of its Subsidiaries.

(f) Since January 1, 2020, none of the Company or its Subsidiaries has entered into a settlement agreement with a current or former officer or employee of the Company or its Subsidiaries that substantially involves allegations relating to sexual harassment.

(g) Employees and Independent Contractors.

(i) To the Company's Knowledge, all outside sales representatives, consultants, independent contractors and contract workers employed by temporary hiring agencies (collectively, "**Independent Contractors**") are properly classified as independent contractors pursuant to applicable law. The Company has accurately reported the compensation of each Independent Contractor on IRS Form 1099 or other applicable Tax forms for independent contractors when required to do so. There are no facts or circumstances that would cause any Independent Contractor to be deemed an employee of the Company.

(ii) All employees, of the Company are listed on Schedule 3.13(g) of the Company Disclosure Letter. Schedule 3.13(g) contains, with respect to the Company, a complete anonymized list of all Persons who are employees of the Company as of the date hereof, specifying (i) with

respect to each hourly employee, the title and rate of hourly pay as of the Closing Date, (ii) with respect to each salaried employee, the title, rate of salary and commission, incentive-based compensation and bonus structure as of the Closing Date, and (ii) with respect to each such Person (A) the date of hire, (B) a description of any additional compensation arrangements not covered in clauses (i) through (iii), (C) (1) whether the employee is classified as exempt or non-exempt under any of the following: the Fair Labor Standards Act, wage orders issued by the Industrial Welfare Commission and any other applicable wage and hour Law, (2) whether or not such employee is on a leave of absence and, if so, the date such absence began and the anticipated date of return and (3) the state and country in which such Person is employed. Except as set forth on Schedule 3.13(e), no employee has an employment Contract. The Company has the right to terminate the employment of each of its employees, at will, without payment (whether for compensation or benefits) to such employee other than for services rendered through termination and without incurring any penalty or Liability.

(iii) Other than the Company's standard forms of offer letters and standard forms of employment agreements (which the Company has made available to Buyer) and except as set forth in Schedule 3.13(g) of the Company Disclosure Letter, the Company and its Subsidiaries are not party to any written employment agreement.

(iv) Except as disclosed in Schedule 3.13(g) of the Company Disclosure Letter, no Proceeding is pending or has existed during the past three (3) years, or, to the Knowledge of the Company, is threatened against the Company by or on behalf of any past or present employee of the Business or applicant for such employment, or any past or present Independent Contractor or any Governmental Authority. There is currently no, and during the past three (3) years, there has been no, violation of any Contract between the Company, on one hand, and any employee of the Business or any Independent Contractor, on the other hand. The Company has withheld and paid to (or is holding for payment not yet due) the appropriate Governmental Authority all amounts required by Law or agreement to be withheld from the wages or salaries due to each of its employees. The Company has paid in full to all of its employees and Independent Contractors all wages, salaries, bonuses, benefits, commissions and other compensation due and payable to them or otherwise arising under any Law, plan, policy, practice, program or agreement and has not unlawfully withheld any such wages, salaries, bonuses, benefits, commissions or other compensation. All amounts that the Company is required, by Contract, Law or otherwise, to deduct from its employees' salaries or to transfer to such employees' pension or provident, life insurance, incapacity insurance, continuing education fund or otherwise, have been duly paid into the appropriate fund or funds, and the Company has no outstanding obligation or Liability to make any such transfer or provision. There are no outstanding, and during the past three (3) years there have been no, Orders or settlements to which the Company is a party or which otherwise binds the Company with respect to any Liability related to its employees or former employees, its Independent Contractors or former Independent Contractors, or the Business of the Company. Except as disclosed in Schedule 3.13(g) of the Company Disclosure Letter, no employee or officer of the Company will be entitled to any change of control, severance or other payment arising as a result of the completion of the Transaction.

(v) To the Company's knowledge, during the past three (3) years, the Company has been in compliance in all material respects with all applicable federal, state and local Laws relating to employment, including those for its employees.

(vi) All current employees of the Company are, and all former employees whose employment was terminated, voluntarily or involuntarily, within the three (3) years prior to the date of this Agreement, were legally authorized to work in the United States.

(vii) The Company is not subject to any strike, picketing, work slowdown, work stoppage or lockout or, to the Knowledge of the Company, any threats thereof, nor has there been any such activity within the past three (3) years. The Company is not a party to, bound by, or negotiating any Contract, collective bargaining agreement or any other type of agreement with any labor organization or other representative of any of its employees. No employee of the Company is represented by a union or labor organization or subject to a collective bargaining agreement. To the Knowledge of the Company, no organizational attempt has ever been made on behalf of any union or collective bargaining unit with respect to the employees of the Company.

(viii) To Company's Knowledge, no employee of the Company is a party to or is bound by any confidentiality agreement, non-competition agreement or other Contract (with any Person) that may have an adverse effect on the performance by such employee of any of his duties or responsibilities as an employee of the Business.

(h) The employees employed by the Company include all of the employees necessary for the ownership, lease or operation by the Company of its assets and properties and its business as heretofore conducted.

(i) The Company has established, implemented and complied with commercially reasonable policies, practices and procedures to protect the health and safety of its employees and contractors, and otherwise mitigate Liability and ensure the Company's compliance with Law, in connection with COVID-19. The Company has not received any written notification alleging that any employee or contractor has any material claim against the Company, or that the Company otherwise has any Liability to any employee or contractor, in each case, in connection with COVID-19, and, to Knowledge of the Company, the Company has no such material Liabilities.

Section 3.14 Taxes. Except as disclosed in Section 3.14 to the Company Disclosure Letter:

(a) The Company and each of its Subsidiaries have (i) duly and timely filed or caused to be duly and timely filed (taking into account any extension of time within which to file) all U.S. federal income and other Tax Returns required to be filed by any of them and all such filed Tax Returns (taking into account all amendments thereto) are true, complete and accurate in all respects and (ii) paid all Taxes due and owing (whether or not shown on such Tax Returns) except to the extent that such Taxes are being contested in good faith and by appropriate proceedings and for which adequate reserves have been maintained in accordance with GAAP. All income and other material amounts of Taxes required to have been withheld by the Company or any of its Subsidiaries with respect to amounts paid or owing to any employee, independent contractor, creditor or other third party have been timely withheld and remitted to the applicable Governmental Authority.

(b) As of the date of this Agreement, there are no pending, ongoing or, to the Knowledge of the Company, threatened, audits, examinations, investigations or other Proceedings by any

Governmental Authority in respect of Taxes of the Company or any of its Subsidiaries. No deficiencies for an amount of Taxes have been claimed, proposed, assessed or, to the Knowledge of the Company, threatened, against the Company or any of its Subsidiaries by any Governmental Authority that have not been fully paid, settled or withdrawn. None of the Company or any of its Subsidiaries has waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to any Tax assessment, deficiency or collection, which waiver or extension currently remains in effect. Neither the Company nor its Subsidiaries have received within the past five years a written claim from any Governmental Authority in a jurisdiction where the Company or any of its Subsidiaries does not currently file a Tax Return that it is or may be subject to taxation by that jurisdiction in respect of Taxes that would be covered by or the subject of such Tax Return, which claim has not been resolved in full. No power of attorney that would be in force after the Closing Date has been granted by the Company or any of its Subsidiaries with respect to Taxes.

(c) There are no Tax rulings, requests for Tax rulings, applications for change in accounting methods or closing agreements with respect to Taxes, in each case with a Governmental Authority, that could reasonably be expected to affect liabilities for Taxes of the Company or any of its Subsidiaries for any period after the Effective Time.

(d) None of the Company or any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) beginning after the Closing Date as a result of: (i) any installment sale or open transaction disposition made prior to the Effective Time; (ii) any prepaid amount received on or prior to the Effective Time; (iii) Section 481(a) of the Code (or an analogous provision of state, local, or foreign Law) by reason of a change in accounting method prior to the Effective Time; or (iv) any election under Section 108(i) of the Code. To the Knowledge of the Company, none of the Company or any of its Subsidiaries has any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding provision of state, local or foreign Tax Law). None of the Company or any of its Subsidiaries will be obligated to pay any Tax after the Effective Time as a result of an election to defer the payment of Taxes under Section 965 pursuant to Section 965(h).

(e) All amounts of Taxes that the Company or any of its Subsidiaries is or was required by Law to withhold or collect have been duly and timely withheld or collected and have been duly and timely paid to the proper Governmental Authority or other proper Person or properly set aside in accounts for this purpose.

(f) None of the Company or any of its Subsidiaries has ever been a member of a consolidated, combined or unitary Tax group (other than such a group the common parent of which is or was the Company or any of its Subsidiaries), and none of the Company or any of its Subsidiaries has any liability for Taxes of any other Person (other than Taxes of the Company or any of its Subsidiaries) under Section 1.1502-6 of the Treasury Regulations (or any similar provision of foreign, state or local Law) or as a transferee or successor or, to the Knowledge of the Company, otherwise as a matter of Law.

(g) None of the Company or any of its Subsidiaries has received written, or, to the Knowledge of the Company, oral notice or other communication of any claim made by a Governmental Authority in a jurisdiction where the Company or any of the Company Subsidiaries does not file a Tax

Return, which claim has not been resolved prior to the date hereof, that the Company or any of the Company Subsidiaries is or may be subject to taxation by that jurisdiction with respect to material Taxes.

(h) None of the Company or any of its Subsidiaries has currently in effect any waiver of any statute of limitations in respect of Taxes or any agreement to any extension of time with respect to an assessment or deficiency for Taxes (excluding extensions of time obtained by the Company or any of its Subsidiaries in the ordinary course of business consistent with past practice for filing of Tax Returns).

(i) None of the Company or any of its Subsidiaries is a party to or is bound by any Tax sharing, Tax allocation or Tax indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among the Company and its Subsidiaries or customary commercial Contracts, the principal subject matter of which is not Taxes) that will not be terminated on or before the Closing Date without any future liability to the Company or any of its Subsidiaries.

(j) There are no Liens for Taxes on any of the assets of the Company or any of its Subsidiaries other than Liens for Taxes that are not yet due and delinquent or that are being contested in good faith and by appropriate proceedings and for which adequate reserves have been maintained in accordance with GAAP.

(k) None of the Company or any of its Subsidiaries has participated in or been a party to a transaction that, as of the date of this Agreement, constitutes a “listed transaction” within the meaning of Section 6707A(c)(2) of the Code or Section 1.6011-4(b) of the Treasury Regulations.

(l) Within the last three (3) years, none of the Company or any of its Subsidiaries has been a “distributing corporation” or “controlled corporation” in any transaction intended to qualify for tax-free treatment under Section 355 of the Code.

(m) Neither the Company or any of its Subsidiaries has participated in any “reportable transaction” within the meaning of Section 6707A(c)(1) of the Code, Treasury Regulation Section 1.6011-4 or any similar provision of state or local Law.

(n) The Company and each of its Subsidiaries are and have at all times been in compliance in all material respects with all applicable transfer pricing laws and regulations. All related party transactions involving the Company or any of its Subsidiaries are and have been at arm’s length in compliance with Section 482 of the Code, the Treasury Regulations promulgated thereunder, and any similar provision of state, local or foreign Law.

(o) None of the Company’s Subsidiaries that are classified as “controlled foreign corporations” as defined in Section 957 of the Code has generated any “subpart F” income (within the meaning of Section 952 of the Code) outside the ordinary course of business in 2021 or 2020.

(p) Neither the Company or any of its Subsidiaries is or will be required to include any income under Section 965 of the Code.

(q) Section 3.14(m) of the Company Disclosure Letter sets forth a true, correct and complete list of all Designated Deferred Taxes as of the date of this Agreement (including the amount of each such Tax).

Section 3.15 Material Contracts.

(a) Section 3.15(a) of the Company Disclosure Letter sets forth a complete and correct list, with items arranged according to the relevant subsection of this Section 3.15, as of the date of this Agreement, of each Company Material Contract. A complete and correct copy of each Company Material Contract has been made available to Buyer. For purposes of this Agreement, "**Company Material Contract**" means any Contract to which the Company or any of its Subsidiaries is a party or to or by which any asset or property of the Company or any of its Subsidiaries is bound, except for this Agreement, that:

(i) except for purchase orders or invoices in the ordinary course of business, is a Contract for the purchase of materials, supplies, goods, services, equipment or other assets with a supplier or customer involving payments in excess of $100,000 in the twelve (12) months ended December 31, 2022 or reasonably expected to involve payments in excess of $100,000 in the twelve (12) months ending December 31, 2023;

(ii) all customer Contracts with annual revenues paid to the Company or any Subsidiary by in excess of $100,000 for the year ended December 31, 2022;

(iii) is a joint venture, alliance, partnership, collaboration, shareholder, material development Contract or similar Contract;

(iv) is an agency, sales, marketing, commission, distribution, international or domestic sales representative or similar Contract;

(v) is a Contract (other than those solely between or among the Company and any of its wholly owned Subsidiaries) relating to Indebtedness of the Company or any of its Subsidiaries (whether outstanding or as may be incurred thereunder);

(vi) all loan agreements, credit agreements, notes, debentures, bonds, mortgages, indentures, and other Contracts pursuant to which any indebtedness of the Company or any of the Company Subsidiaries is outstanding or may be incurred and all guarantees of or by the Company or any of the Company Subsidiaries (other than those solely between or among the Company and any of its wholly owned Subsidiaries) relating to Indebtedness of a third Person having a principal amount reasonably expected to be in excess of $100,000 owed to the Company or any of its Subsidiaries;

(vii) is a Contract that contains any payment obligations that are outside the ordinary course of business and are off-balance sheet arrangements;

(viii) is a Contract that creates or would create a Lien (other than a Permitted Lien) on any asset of the Company or any of its Subsidiaries, or restricts the payment of dividends;

(ix) is a Contract that obligates the Company or any of its Subsidiaries to conduct any business on an exclusive basis with any third Person, or upon consummation of the Merger, will obligate Buyer or any of its Subsidiaries to conduct business with any such third Person on an exclusive basis, or is a non-competition or non-solicitation Contract or any other Contract (including a Contract related to the sale of products or the provision of services by the Company or any of its Subsidiaries) that limits, restricts or prohibits, or purports to limit, restrict or prohibit, (A) the manner or the localities in which any business of the Company and its Subsidiaries is or could be conducted or (B) the lines or types of businesses that the Company or any of its Subsidiaries conducts or has a right to conduct (each a "**Restrictive Business Arrangement**");

(x) is a Contract with any Governmental Authority for which the Company paid or received $100,000 or more in fiscal 2022;

(xi) is a Contract relating to the acquisition or disposition of any Person, business or operations or assets constituting a business (whether by merger, sale of stock, sale of assets, consolidation or otherwise) entered into since January 1, 2020 (including any such Contract under which contemplated transactions were consummated) under which one or more of the parties thereto has material obligations remaining to be performed;

(xii) is an Intellectual Property Agreement;

(xiii) is a Contract that imposes any co-promotion or collaboration obligations with respect to any product or product candidate, which obligations are material to the Company and its Subsidiaries, taken as a whole;

(xiv) is a hedging, derivative or similar Contract (including interest rate, currency or commodity swap agreements, cap agreements, collar agreements and any similar Contract designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices);

(xv) is a service or supply Contract, including a "single, sole source" supply Contract, pursuant to which goods or materials in excess of $100,000 for the rolling twelve (12) month period beginning on the date hereof are expected to be supplied to the Company or any of its Subsidiaries from an exclusive source;

(xvi) is a Labor Agreement;

(xvii) is a Contract which provides for a loan or advance of any amount to any employee of the Company or any temporary agency employee, consultant or other independent contractor of the Company or any of its Subsidiaries, other than in the ordinary course of business; or

(xviii) is a Contract, under which the Company or any of its Subsidiaries is, or may become, obligated to sell or otherwise issue any shares of its capital stock or any other Securities.

(b) Each of the Company and its Subsidiaries has performed in all material respects all obligations required to be performed by it under each Material Contract and none of the Company or

any of its Subsidiaries has taken any action resulting in the termination of, the acceleration of performance required by, or a right of termination or acceleration under, any Company Material Contract to which it is a party. None of the Company or any Subsidiary has received any written, nor, to the Knowledge of Company, oral claim of breach or default under or cancellation of any Material Contract or which remains unresolved as of the date of this Agreement, and none of the Company or any of its Subsidiaries is in material breach or violation of, or default (or, with the giving of notice or lapse of time or both, would be in default) under, any Material Contract. As of the date of this Agreement, to the Knowledge of the Company, no other party to any Company Material Contract is in material breach of or default (or, with the giving of notice or lapse of time or both, would be in default) under the terms of, and has not taken any action resulting in the termination of, the acceleration of performance required by, or a right of termination or acceleration under, any Company Material Contract. Each Company Material Contract is (i) a valid and binding obligation of the Company or any of its Subsidiaries that are a party thereto, as applicable, and, to the Knowledge of the Company, the other parties thereto (provided, however, that such enforcement may be subject to the Enforceability Exceptions) and (ii) in full force and effect, except in the case of clauses (i) and (ii), to the extent any such Company Material Contract expires by its terms or is terminated in accordance with its terms in the ordinary course of business in compliance with Section 5.1 and except as would not reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole.

(c) No (i) current or former officer or director of the Company; (ii) beneficial owner of five percent (5%) or more of any voting Securities of the Company; or (iii) any “affiliate” or “associate” of any such Person, has any interest in any Contract or property (real or personal, tangible or intangible), used in, or pertaining to the business of the Company or any of its Subsidiaries, which interest would be required to be disclosed pursuant to Item 404(a) of Regulation S-K promulgated under the Exchange Act.

Section 3.16 Intellectual Property.

(a) Section 3.16(a) of the Company Disclosure Letter sets forth a true, complete and correct list, as of the date of this Agreement, of all Company Registered IP. For each item of Company Registered IP, Section 3.16(a) of the Company Disclosure Letter lists the owner, country(ies), jurisdiction or region, and registration and application numbers. For each item of material unregistered Company Owned IP, the Company has made available to Buyer sufficient detail regarding the ownership and nature of such material unregistered Intellectual Property and its importance to the Company’s and its Subsidiaries’ respective businesses as such businesses are conducted as of the Closing.

(b) To the Knowledge of the Company, the Company or one or more of its Subsidiaries owns, or has a valid right to use, all Intellectual Property used in the conduct of the Company’s and its Subsidiaries’ respective businesses as such businesses are conducted as of the Closing. To the Knowledge of the Company, the Surviving Corporation will own or possess sufficient rights to all Intellectual Property as of the Closing that are necessary to the operation of the Company’s and its Subsidiaries’ respective businesses, as conducted as of immediately prior to the Closing.

(c) With respect to Company Owned IP, the Company or one of its Subsidiaries is the sole and exclusive owner of each item free and clear of all Liens other than Permitted Liens, and the Company or one of its Subsidiaries has the absolute right to use and assign such Intellectual Property

without seeking the approval or consent of any Person and without payments to any Person. With respect to Company Registered IP, each item is registered in the name of the Company or one or more of its Subsidiaries, and all required filings and fees related to the Company Registered IP have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all Company Registered IP are otherwise in good standing.

(d) Section 3.16(d) of the Company Disclosure Letter sets forth a true, complete and correct list, as of the date of this Agreement, of all Contracts within the definition of "Intellectual Property Agreement" pursuant to which the Company or one or more of its Subsidiaries receives a license or otherwise obtains a right to use any of the Company Licensed IP, other than commercially available, non-customized, off-the-shelf software subject to "shrink-wrap" or "click-through" type terms and available to the Company or any of its Subsidiaries, as applicable. The rights, licenses and interests of the Company or any of its Subsidiaries in and to all Company Licensed IP are free and clear of all Liens or similar restrictions that restrict the use of the Company Licensed IP or the operation of the Company's and its Subsidiaries' respective businesses, other than Permitted Liens and restrictions contained in the applicable Contracts with the licensor of such Company Licensed IP.

(e) To the Knowledge of the Company, none of the activities or business currently conducted by the Company or any of its Subsidiaries at any time since January 1, 2020 infringes, misappropriates or otherwise violates any valid and enforceable Intellectual Property of any third Person. Neither the Company nor any of its Subsidiaries is subject to any Order that materially restricts or impairs the use of any Company Intellectual Property.

(f) There is not now and has not been since January 1, 2020 a pending or threatened (in writing) claim or Proceeding by any Person asserting the alleged infringement, misappropriation or violation of any Intellectual Property of any Person by the Company or any of its Subsidiaries, or contesting the validity, ownership, enforceability or right of the Company or any of its Subsidiaries in or to any of the Company Owned IP (other than office actions in the ordinary course of prosecution of Company Registered IP), including in the nature of being offered a license or covenant not to sue, and to the Knowledge of the Company, there is no reasonable basis for any such Proceeding with respect to any Intellectual Property of any Person. Since January 1, 2020, neither the Company nor any of its Subsidiaries has received any written notice of any conflict or pending conflict with, or infringement, misappropriation or violation of, the rights of any Person with respect to any Intellectual Property or any license to any Intellectual Property, or challenging the validity, ownership, enforceability, or right of the Company or any of its Subsidiaries to use any Intellectual Property (other than office actions in the ordinary course of prosecution of Company Registered IP).

(g) There is not now and has not been since January 1, 2020 a pending or threatened (in writing) claim or Proceeding by the Company or any of its Subsidiaries asserting the alleged infringement, misappropriation or violation of any Company Owned IP by any Person, or contesting the validity, ownership, enforceability or right of any Person in or to any Intellectual Property, including in the nature of offering a license or covenant not to sue, and to the Knowledge of the Company, there is no reasonable basis for any such Proceeding with respect to any Company Owned IP. Since January 1, 2020, neither the Company nor any of its Subsidiaries has asserted rights in any of the Company Owned IP

against any Person in any Proceeding, cease and desist letter, or other written notice, including in the nature of offering a license or covenant not to sue.

(h) The Company and each of its Subsidiaries have taken reasonable measures to protect and preserve the confidentiality of all material confidential information and all material Trade Secrets that are Company Owned IP, or any material Trade Secrets disclosed to the Company or its Subsidiaries for which the Company or any of its Subsidiaries had or has an obligation of secrecy, against unauthorized access, disclosure, use, modification or other misuse. To the Knowledge of the Company, there has been no material unauthorized access, disclosure or use of any material Trade Secrets that are Company Owned IP, or any material Trade Secrets disclosed to the Company or its Subsidiaries for which the Company or any of its Subsidiaries had or has an obligation of secrecy, against unauthorized access, disclosure, use, modification or other misuse.

(i) Except as would not, individually or in the aggregate, be material to the business of the Company and its Subsidiaries, the Company and each of its Subsidiaries have used reasonable measures to protect the Trade Secrets included in the Company Intellectual Property and have secured from all of their employees and consultants who independently or jointly contributed to the conception, reduction to practice, creation or development of any Company Owned IP unencumbered and unrestricted exclusive ownership of all such employee's or consultant's, as applicable, Intellectual Property in such contribution to Company Owned IP that the Company or any of its Subsidiaries do not already own by operation of Law and such employee or consultant, as applicable, has not retained any rights or licenses with respect thereto (except licenses for the purpose of providing services to the Company or its Subsidiary); in addition, all such employees and consultants have waived all of their moral rights in and to the Company Owned IP in favour of the Company or its applicable Subsidiary. Without limiting the foregoing, except as would not, individually or in the aggregate, be material to the business of the Company and its Subsidiaries, the Company and its Subsidiaries have obtained proprietary information, moral rights waiver and assignment Contracts from all current and former employees, consultants, contractors, and other Persons involved in the development of any Company Owned IP with or for the Company or any of its Subsidiaries, and those Contracts assign and require assignment to, and waive and require waiver in favour of, the Company or one or more of its Subsidiaries all right, title and interest in and to Company Owned IP developed by such employees, consultants, contractors, and other Persons.

(j) There are no settlements, forbearances to sue, consents, Orders or similar obligations to which the Company or any of its Subsidiaries is a party or is subject that (i) restrict the Company's or any of its Subsidiaries' rights to use, enjoy or exploit any material Company Owned IP; or (ii) materially restrict the Company's or any of its Subsidiaries' business in order to accommodate any Person's right in or to any Intellectual Property.

(k) To the Knowledge of the Company, since January 1, 2020, no current or former employee or consultant of the Company or any of its Subsidiaries (i) is in material violation of any (A) term or covenant of any contractual or other obligation to the Company or any of its Subsidiaries relating to invention disclosure, invention assignment, non-disclosure, limitation of use, or non-competition, or (B) any applicable material non-disclosure obligation or restrictive covenant obligation for the benefit of any other Person, including any former employer of such employee or consultant, by virtue of such employee

or consultant being employed by or performing services for the Company or any of its Subsidiaries, or using Trade Secrets or proprietary information of such Person, including any former employer, for the benefit of the Company or any of its Subsidiaries, or (ii) has developed any technology, Software or other copyrightable, patentable or otherwise proprietary work for the Company or any of its Subsidiaries that constitutes Company Owned IP that is subject to any agreement under which such employee or consultant has assigned or otherwise granted to any Person any rights other than the Company (including rights in or to Intellectual Property) in or to such technology, Software or other copyrightable, patentable or otherwise proprietary work or which has been subject to any confidentiality or use restrictions. To the Knowledge of the Company, all disclosures by the Company or any of its Subsidiaries to any Person of material Company-owned confidential information and Trade Secrets, or material confidential information and Trade Secrets as to which the Company or any of its Subsidiaries had or has an obligation of secrecy, have been made pursuant to the terms of a written contractual obligation between the Company or its applicable Subsidiaries and such third Person requiring that such third Person not disclose or otherwise use such confidential information or Trade Secrets for any purpose other than those expressly authorized in writing by the Company or any of its Subsidiaries, as applicable.

(l) With regard to proprietary Software constituting Company Owned IP that is developed or used by the Company or any of its Subsidiaries, or is currently in development by the Company or any of its Subsidiaries, and other than as has not been, and would not reasonably be expected to be, individually or in the aggregate, material to the business of the Company and its Subsidiaries, taken as a whole: (i) neither the Company nor any of its Subsidiaries has assigned, delivered, licensed or made available, and does not have any obligation to assign, deliver, license or make available, the source code for any such Software to any third Person, including any escrow agent or similar Person (other than to service providers to the Company or its Subsidiary for the purpose of providing services to the Company or its Subsidiary); (ii) to the Knowledge of the Company, no such Software (A) contains any virus or similar malicious code designed or intended to disrupt, disable, harm or otherwise impede in any manner the operation of, or provide unauthorized access to, a computer system or network or other device on which such code is stored or installed, or to damage or destroy data or files without the user's consent, or (B) incorporates, embeds or is distributed or installed with, statically or dynamically links with, or otherwise interacts with any Software that is distributed as free software, open source software, or pursuant to similar licensing or distribution models, including pursuant to any GNU general public license or limited general public license, in a manner that would require any Software included in the Company Owned IP, including any source code associated with such Software, to be disclosed, licensed, or divulged to any other Person; and (iii) current copies of the source code for all such material Software are recorded on machine readable media, clearly identified and securely stored (together with the applicable documentation) by the Company or any of its Subsidiaries.

(m) No item of Company Owned IP has been held to be invalid or unenforceable in any Order. The Company Owned IP is subsisting (or in the case of applications, applied for) and to the Knowledge of the Company, valid and enforceable. No issued Patents or pending patent applications included in the Company Owned IP are subject to any interference, reissue, reexamination, opposition, inter parties review, covered business method review, post-grant review, or other post-grant proceeding (other than office actions in the ordinary course of prosecution). No Trademark that is included in the Company Owned IP is subject to any opposition, invalidation, cancellation, or other administrative proceeding (other than office actions in the ordinary course of prosecution). Neither the Company nor

any of its Subsidiaries is undertaking any interference, reissue, reexamination, opposition, *inter partes* review, covered business method review, post-grant review, invalidation, cancellation, or other administrative proceeding with respect to Intellectual Property of any other Person. The Company and its Subsidiaries have not knowingly made any material misrepresentations in the filings submitted to the applicable Governmental Authorities with respect to any Company Registered IP and, to the Knowledge of the Company, neither the Company nor any of its Subsidiaries has engaged in misuse, including patent or copyright misuse or any fraud or inequitable conduct, in connection with any Company Owned IP.

(n) No Company Owned IP is being used or enforced by the Company or any of its Subsidiaries in a manner that would reasonably be expected to result in the abandonment, cancellation or unenforceability of any material Company Owned IP used in and necessary for or otherwise material to the conduct of the Company's and any of its Subsidiaries' businesses as currently conducted.

(o) Except as set forth on Section 3.16(o) of the Company Disclosure Letter, no Governmental Authority, in the United States or any other jurisdiction, has acquired or has a right to acquire, including upon the occurrence of any pending conditions, any right, title, or interest in or to any of the Company Owned IP, including any "limited rights" or "restricted rights" as defined in the Federal Acquisition Regulations and related agency supplements, including the Defense Federal Acquisition Regulation Supplement.

(p) The Company and each of its Subsidiaries during the three (3) years prior to the date hereof have been and are in compliance in all material respects with (i) Laws applicable to the Company and each of its Subsidiaries that govern or regulate the privacy, security, processing, protection, destruction, breach notification, or transfer of Personal Information, including, as applicable, the Health Insurance Portability and Accountability Act (HIPAA), the EU General Data Protection Regulation (GDPR) and the regulations that implement the foregoing, as may be amended from time to time (collectively, "**Data Protection Laws**"), (ii) privacy and security policies of the Company and/or its Subsidiaries with respect to Personal Information, and (iii) commitments in Company Material Contracts made by the Company or any of its Subsidiaries with respect to Personal Information (collectively, (i), (ii) and (iii), the "**Privacy Requirements**"). To the Knowledge of the Company, no written claims are pending or have been threatened in writing or, threatened other than in writing, against the Company or any of its Subsidiaries alleging any violation of the Privacy Requirements or any violation of any Person's privacy, Personal Information, or data rights.

(q) The Company and its subsidiaries have taken commercially reasonable steps designed to protect the confidentiality, integrity and security of the computer, information technology and data processing systems, facilities and services used by and under the control of the Company and its Subsidiaries, including all hardware, software, servers, networks, and communications facilities ("**Systems**") and has implemented commercially reasonable incident response and disaster recovery procedures. To the Knowledge of the Company, the Systems are free, in all material respects, from any undisclosed disabling codes or instructions, Trojan horses, worms, viruses or other Software routines that permit or cause unauthorized access to, or disruption, impairment, disablement, or destruction of, Software, data or other materials. Since January 1, 2020: (i) the Systems have not suffered a material failure or malfunction, and (ii) no person has gained unauthorized access to the Systems owned by, or

used and controlled by the Company or its Subsidiaries in a manner that would reasonably be expected to be material to the Company and its Subsidiaries on a consolidated basis.

(r) During the three (3) years prior to the date hereof, (i) to the Knowledge of the Company, there has been no material unauthorized access to or use of (a "**Security Breach**") the Company's or any of its Subsidiaries' information technology systems, (ii) to the Knowledge of the Company, there have been no material Security Breaches in the Company information technology systems used in the operation of the products or services provided or rendered by the Company or any of its Subsidiaries, and (iii) there have been no disruptions in Company information technology systems used in the operation of the products or services provided or rendered by the Company that had a Company Material Adverse Effect. The Company has used commercially reasonable efforts to evaluate the disaster recovery and backup needs of the Company and its Subsidiaries and has implemented plans and systems that are reasonably designed to address its assessment risk. The Company and each of its Subsidiaries: (A) have implemented, maintain, and comply with written privacy and security policies with respect to Personal Information processed by the Company or on its behalf; (B) employ reasonable safeguards designed to protect Personal Information that is processed by the Company or the Subsidiary or on the Company's or the Subsidiary's behalf from loss, misappropriation, or unauthorized or unlawful use, disclosure, access, or other processing; (C) have provided any notice, and obtained any consent, required by any Privacy Requirement for any collection, use, disclosure, transfer (including cross-border transfer), retention, or other processing of Personal Information by the Company or the Subsidiary or on the Company's or the Subsidiary's behalf; and (D) have entered into an agreement with each service provider or other Person that processes Personal Information for the Company or the Subsidiary or on the Company's or the Subsidiary's behalf, which agreement complies in all material respects with applicable Privacy Requirements. To the Knowledge of the Company, there has been no Security Breach that compromises the confidentiality, integrity, availability or security of the information technology systems, or in which there is loss or unauthorized access, acquisition, exfiltration, modification, erasure, processing, disclosure or theft of any material sensitive or confidential information, including Personal Information in the possession or under the control of the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries has notified, nor, to the Company's Knowledge, has the Company or any Company Subsidiary been required to notify under applicable Privacy Requirements any Person or Governmental Authority of any Security Breach involving Personal Information.

Section 3.17 Real and Personal Property.

(a) The Company and its Subsidiaries do not own any real property, and neither the Company or any Subsidiary is a party to any Contract to purchase any real property or any interest therein.

(b) Section 3.17(b) of the Company Disclosure Letter sets forth a complete and accurate list as of the date of this Agreement of each lease, sublease, license or similar use and occupancy Contract (including any assignments, amendments, extensions and modifications thereto, each, a "**Lease**") pursuant to which the Company or any of its Subsidiaries leases, subleases or otherwise uses or occupies, as applicable, any real or personal property from any other Person (whether as a tenant, subtenant or pursuant to other occupancy arrangements) (collectively, the "**Company Leased Property**"). The Company has made available to Buyer a true, correct and complete copy of each such Lease to date.

(c) Except as set forth on Section 3.17(c) of the Company Disclosure Letter, (i) the Company and its Subsidiaries have valid leasehold interests under each of the Leases, free and clear of all Liens, except for Permitted Liens, (ii) the Company and its Subsidiaries enjoy peaceful and undisturbed possession under all of the Leases for any Company Leased Property, and (iii) the Company and its Subsidiaries have not entered into any sublease or assignment of any Company Leased Property.

(d) Each Lease for any Company Leased Property is in full force and effect and is a valid and binding obligation of the Company or any of its Subsidiaries that is a party thereto, as applicable, and to the Knowledge of the Company, the other parties thereto.

(e) No event has occurred and no condition exists, which with the giving of notice or the passage of time, or both, will constitute a default under a Lease by the Company or any of its Subsidiaries, or, to the Knowledge of the Company, any counterparty under such Lease, that would, individually or in the aggregate, materially impair or be reasonably likely to materially impair the continued use and operations of the Company Leased Property to which they relate in the conduct of the business of the Company and its Subsidiaries as presently conducted.

(f) no Person, other than the Company or a Subsidiary of the Company, possesses, uses or occupies, as applicable, all or any portion of any Company Leased Property;

(g) neither the Company nor any Subsidiary of the Company is a party to any agreement, right of first offer, right of first refusal or option with respect to the purchase or sale of any real property or interest therein;

(h) as of the date hereof, there are no pending or, to the Knowledge of the Company, threatened Proceedings to take all or any portion of the Company Leased Property or any interest therein by eminent domain or any condemnation proceeding (or the jurisdictional equivalent thereof) or any sale or disposition in lieu thereof; and

(i) the Company and its Subsidiaries haves valid and subsisting ownership interests in all of the tangible personal property reflected in the latest balance sheet included in the Financial Statements as being owned by the Company and its Subsidiaries, on a consolidated basis, or acquired after the date thereof (except tangible personal properties sold or otherwise disposed of since the date thereof in the ordinary course of business), free and clear of all Liens, other than Permitted Liens.

Section 3.18 Environmental.

(a) Except as disclosed in Section 3.18 to the Company Disclosure Letter:

(i) Since January 1, 2020, the Company and its Subsidiaries have been and are in compliance in all material respects with all applicable Environmental Laws, including possessing and complying with the terms of all Company Permits required for their operations as currently conducted under applicable Environmental Laws;

(ii) there is no pending or, to the Knowledge of the Company, threatened Proceeding pursuant to any applicable Environmental Law against the Company or any of its Subsidiaries;

(iii) since January 1, 2020, none of the Company or any of its Subsidiaries has received any written notice or a request for information from any Person, including any Governmental Authority, alleging that the Company or any of its Subsidiaries has been or is in material violation of any applicable Environmental Law or otherwise may be liable under any applicable Environmental Law, which violation or liability is unresolved; and (C) none of the Company or any of its Subsidiaries is a party or subject to any Order pursuant to Environmental Law that is currently in effect;

(iv) to the Knowledge of the Company, there have been no Releases of Hazardous Materials by the Company or any of its Subsidiaries at, on, under or from any location that have resulted in or are reasonably likely to result in an obligation by the Company or any of its Subsidiaries to remediate such Releases pursuant to applicable Environmental Law; and

(v) neither the Company nor any of its Subsidiaries has entered into any written agreement or incurred any legal obligation that would reasonably be expected to require it to pay to, reimburse, or indemnify any other Person from or against liabilities or costs pursuant to applicable Environmental Law.

(b) The Company has delivered or otherwise made available for inspection to the Buyer copies of any final and non-privileged reports, investigations, audits, assessments (including Phase I or II environmental assessments), studies or other material documents in the possession of the Company or any of its Subsidiaries pertaining to: (i) any unresolved claims arising under or relating to any Environmental Law; or (ii) any Hazardous Materials in, on, or beneath any property currently owned, operated or leased by the Company or any of its Subsidiaries.

Section 3.19 Customers and Suppliers. Section 3.19 of the Company Disclosure Letter sets forth:

(a) the ten (10) largest customers (by revenue) of the businesses of the Company and its Subsidiaries (on a consolidated basis) during the twelve months ended December 31, 2022; and

(b) the ten (10) largest suppliers (by spend) of the businesses of the Company and its Subsidiaries (on a consolidated basis) during the twelve months ended December 31, 2022.

Section 3.20 Product Warranty. Each product manufactured, sold, leased, delivered or distributed (including the featured and functionality offered thereby) or service provided or rendered by the Company or any of its Subsidiaries complies in all material respects with all applicable contractual specifications, requirements and covenants and all express and implied warranties made by the Company or any of its Subsidiaries and is not subject to any term, condition, guaranty, warranty or other indemnity beyond the applicable standard terms and conditions for such product or service. Section 3.20 of the Company Disclosure Letter sets forth any claims for replacement, repair or other damages with a value of over $50,000 in connection with the Company's or any of its Subsidiaries' material products or services since January 1, 2022.

Section 3.21 Foreign Corrupt Practices Act; Anti-Corruption.

(a) Since January 1, 2020, none of the Company, any of its Subsidiaries or any of their respective officers, directors, employees or, to the Knowledge of the Company, agents, distributors, consultants or independent contractors (to the extent acting on behalf of the Company or any of its Subsidiaries) has directly or indirectly made, promised, or authorized or offered to make, promise or authorize any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment or thing of value to any Person, private or public, regardless of what form, whether in money, property or services, in violation of, to the extent applicable, the FCPA, the U.S. Travel Act, the U.K. Bribery Act 2010, applicable Laws implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or any other applicable Law, rule or regulation relating to anti-corruption or anti-bribery in any jurisdiction where the Company operates (collectively, the "**Anti-Corruption Laws**"). Without limiting the foregoing, since January 1, 2020, none of the Company, any of its Subsidiaries, or any of their respective officers, directors, employees or, to the Knowledge of the Company, agents, distributors, consultants or independent contractors (to the extent acting on behalf of the Company or any of its Subsidiaries) has directly or indirectly offered or given anything of value corruptly to (i) any official, political party or official thereof or any candidate for political office or (ii) any Person, while knowing that all or a portion of such thing of value will be offered, given or promised, directly or indirectly, to any official, to any political party or official thereof or to any candidate for political office for the purpose of the following: (A) influencing any act or decision of such official, political party, party official or candidate in his, her or its official capacity, including influencing such official, political party, party official or candidate to do or omit to do any act in violation of his, her or its lawful duty, or securing any improper advantage for the benefit of the Company or any of its Subsidiaries or (B) inducing such official, political party, party official or candidate to use his, her or its influence with a Governmental Authority or instrumentality thereof to affect or influence any act or decision of such Governmental Authority or instrumentality, in order to assist the Company or any of its Subsidiaries in obtaining or retaining business for or with, or directing business to, any Person or securing an improper advantage for the benefit of the Company or any of its Subsidiaries.

(b) Since January 1, 2020, neither the Company, nor any of its Subsidiaries, nor, to the Knowledge of the Company, any of the Company's or its Subsidiaries' respective agents, distributors, consultants or independent contractors (to the extent acting on behalf of the Company or any of its Subsidiaries) (i) is or has been the subject of an unresolved claim or allegation relating to (A) any potential violation of the Anti-Corruption Laws or (B) any potentially unlawful contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment or the provision of anything of value, directly or indirectly, to an official, to any political party or official thereof or to any candidate for political office, or (ii) has received any notice or other communication (in writing) from, or made a voluntary disclosure to, any Governmental Authority regarding any actual, alleged or potential violation of, or failure to comply with, any Anti-Corruption Laws.

(c) The Company and its Subsidiaries maintain a system or systems of internal controls that are reasonable and customary for companies similarly situated as the Company to (i) ensure compliance with Anti-Corruption Laws and (ii) prevent and detect violations of Anti-Corruption Laws.

Section 3.22 Customs and International Trade Laws.

(a) Since January 1, 2020, the Company and its Subsidiaries have been in compliance in all material respects with all applicable Customs & International Trade Laws and there are no unresolved formal claims concerning the liability of any of the Company or its Subsidiaries under such Laws. Without limiting the foregoing, (i) at all times since January 1, 2020, the Company and its Subsidiaries and, to the Knowledge of the Company, Persons acting on their behalf have obtained all import and export licenses and all other consents, notices, waivers, approvals, Orders, authorizations, registrations, declarations, classifications and filings required for the export, import, re-export or transfer of goods, services, software and technology required for the operation of the respective businesses of the Company and its Subsidiaries, including Customs & International Trade Authorizations; (ii) since January 1, 2020, no Governmental Authority has initiated any Proceedings or imposed any civil or criminal fine, penalty, seizure, forfeiture, revocation of a Customs & International Trade Authorization, debarment or denial of future Customs & International Trade Authorizations against any of the Company or its Subsidiaries or any of their respective directors, officers, employees or agents in connection with any actual or alleged violation of any applicable Customs & International Trade Laws; and (iii) since January 1, 2020, there have been no claims, investigations or requests for information by a Governmental Authority with respect to the Company's and its Subsidiaries' Customs & International Trade Authorizations and compliance with applicable Customs & International Trade Laws.

(b) Neither the Company nor any of its Subsidiaries, and no director, officer or employee of any of the Company or its Subsidiaries, (i) is a Sanctioned Person; or (ii) has pending or, to the Knowledge of the Company, threatened claims against it with respect to Sanctions.

Section 3.23 Insurance. Section 3.23 of the Company Disclosure Letter lists all material insurance policies maintained by or on behalf of the Company or any of its Subsidiaries as of the date of this Agreement. The Company and each of its Subsidiaries have paid, or caused to be paid, all premiums due under all such insurance policies of the Company and each of its Subsidiaries, and all such insurance policies are, as of the date of this Agreement, in full force and effect. As of the date of this Agreement, since January 1, 2020, none of the Company or any of its Subsidiaries has received written (i) notice that they are in default with respect to any obligations under such insurance policies or (ii) notice of cancellation or termination with respect to any such existing insurance policy. No claims have been made, no claim is outstanding and, to the Knowledge of the Company, no fact or circumstance exists that would reasonably be expected to give rise to a claim under any of such insurance policies and no event, act, or omission has occurred that requires notification under any of such insurance policies. None of the insurers under any of such insurance policies has refused in writing or, to the Knowledge of the Company, oral notice or other communication of refusal, or given any written indication or, to the Knowledge of the Company, oral notice or other communication that it intends to refuse to indemnify in whole or in part in respect of any claims under such insurance policies, and nothing has been done or omitted to be done by the Company and its Subsidiaries, and, to the Knowledge of the Company, there are no facts or circumstances that would reasonably be expected to entitle the insurers under any of such insurance policies to refuse to indemnify in whole or in part in respect of any claims under such insurance policies.

Section 3.24 Takeover Statutes. The Company Board has taken such actions and votes as are necessary to render the provisions of any "fair price," "moratorium," "control share acquisition" or

any other takeover or anti-takeover statute or similar federal or state Law (including Section 203 of the DGCL) inapplicable to this Agreement, the Voting and Support Agreement, the Merger or any other transactions contemplated by this Agreement.

Section 3.25 Brokers. No investment banker, broker, finder or other intermediary (other than Imperial Capital LLC, the fees and expenses of which will be paid by the Company) is entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company or any of its Affiliates. True, correct and complete copies of all agreements between the Company and Imperial Capital LLC have been delivered to Buyer.

Section 3.26 No Other Representations or Warranties. The representations and warranties expressly set forth in this ARTICLE III are the exclusive representations and warranties made by the Company and the Company disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Buyer or its Affiliates or representatives (including any opinion, information, projection, or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant, or representative of the Company), other than the representations and warranties expressly set forth in this ARTICLE III. Without limiting the foregoing, other than as expressly set forth in this ARTICLE III, the Company makes no warranty of merchantability, suitability, fitness for a particular purpose or quality with respect to any of the tangible assets of the Company or any of its Subsidiaries or as to the condition or workmanship thereof or the absence of any defects therein and the Company specifically disclaims any representations or warranties of any kind or nature, express or implied, concerning any pro-forma or future revenues, costs, expenditures, cash flow, results of operations, collectability of accounts receivable, financial condition or prospects of the Company or any of its Subsidiaries or that may result from the ownership or operation of the Company or any of its Subsidiaries or the Merger.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER AND MERGER SUB

Buyer and Merger Sub hereby, jointly and severally, represent and warrant to the Company as follows:

Section 4.1 Organization; Qualification. Each of Buyer and Merger Sub is (a) a corporation duly organized and validly existing under the laws of the jurisdiction of its respective incorporation and has the requisite corporate power and authority to conduct its business as it is now being conducted and to own, lease and operate its properties and assets in the manner in which its properties and assets are currently operated and (b) duly qualified or licensed to do business and is in good standing in each jurisdiction in which the character or location of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so duly qualified or licensed and in good standing would not reasonably be expected to, individually or in the aggregate, impair in any material respect the ability of Buyer or Merger Sub, as the case may be, to perform its obligations under this Agreement or to consummate the Merger and pay the Merger Consideration and other amounts required to be paid by

Buyer and Merger Sub hereunder, or otherwise prevent, materially delay or materially impair the consummation of the Merger and the other transactions contemplated by this Agreement (a "**Buyer Material Adverse Effect**").

Section 4.2 Authority Relative to Agreement. Each of Buyer and Merger Sub has all necessary corporate power and authority to execute, deliver and perform their respective obligations under this Agreement and other Transaction Documents and to consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and other Transaction Documents by Buyer and Merger Sub, and the consummation by Buyer and Merger Sub of the transactions contemplated by this Agreement, have been duly and validly authorized by all necessary corporate action by Buyer and Merger Sub, and (in the case of the Merger, except for the filing of the Certificate of Merger with the Delaware Secretary of State), no other corporate action or proceeding on the part of Buyer or Merger Sub is necessary to authorize the execution, delivery and performance of this Agreement and other Transaction Documents by Buyer and Merger Sub and the consummation by Buyer and Merger Sub of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Buyer and Merger Sub and, assuming due authorization, execution and delivery of this Agreement by the Company, constitutes a legal, valid and binding obligation of each of Buyer and Merger Sub, enforceable against each of Buyer and Merger Sub in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.3 No Conflict; Required Filings and Consents.

(a) Neither the execution and delivery of this Agreement by Buyer and Merger Sub nor the consummation by Buyer and Merger Sub of the transactions contemplated by this Agreement, nor compliance by Buyer and Merger Sub with any of the terms or provisions of this Agreement, will (i) violate any provision of the Buyer Organizational Documents, (ii) assuming that the Consents, registrations, declarations, filings and notices referenced in Section 4.3(b) have been obtained or made, conflict with or violate any Law applicable to Buyer or Merger Sub or by which any property or asset of Buyer or Merger Sub is bound or affected; or (iii) violate, conflict with or result in any breach of any provision of, or loss of any benefit, or constitute a default (with or without notice or lapse of time, or both) under, give rise to any right of termination, acceleration or cancellation of or require the Consent of, notice to or filing with any third Person pursuant to any of the terms or provisions of any material Contract to which Buyer or Merger Sub is a party or by which any property or asset of Buyer or Merger Sub is bound, or result in the creation of a material Lien, other than any Permitted Lien, upon any of the property or assets of Buyer or Merger Sub, other than, in the case of clauses (ii) and (iii), as would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

(b) Other than as set forth in Schedule 6.2(d), no Consent of, registration, submission, declaration or filing with or notice to any Governmental Authority is required to be obtained or made by or with respect to Buyer or Merger Sub in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated by this Agreement, other than (i) the filing and recordation of the Certificate of Merger with the Delaware Secretary of State, (ii) such filings and approvals as may be required by any federal or state securities Laws, and (iii) such other Consents, registrations, declarations, filings or notices the failure of which to be obtained or made would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

Section 4.4 Litigation. As of the date of this Agreement, (a) there is no Proceeding pending or, to the knowledge of Buyer, threatened against Buyer or any of its Subsidiaries or any asset or property of Buyer or any of its Subsidiaries, and (b) there is no Order outstanding against, or involving, Buyer or any of its Subsidiaries or any asset or property of Buyer or any of its Subsidiaries that, in each case of clauses (a) and (b), would reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

Section 4.5 Brokers. No investment banker, broker, finder or other intermediary (except for NMC Resource Corporation, the fees and expenses of which will be paid by Buyer or its Affiliate) is entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer or Merger Sub or any of their Affiliates.

Section 4.6 Merger Sub. All of the issued and outstanding capital stock of Merger Sub is, and at the Effective Time will be, owned by Buyer or a wholly owned Subsidiary of Buyer. Merger Sub has no outstanding options, warrants, rights or any other agreements pursuant to which any Person other than Buyer may acquire any Security of Merger Sub. Merger Sub has not engaged in any business activities or conducted any operations and has no, and prior to the Effective Time will have no, assets, liabilities or obligations of any nature other than pursuant to the Merger and the other transactions contemplated by this Agreement.

Section 4.7 No Other Representations or Warranties. Except for the representations and warranties made by Buyer and Merger Sub in this ARTICLE IV, none of Buyer, Merger Sub or any other Person makes any representations or warranties on behalf of Buyer or Merger Sub with respect to Buyer or any of its Subsidiaries.

Section 4.8 No Reliance. Buyer acknowledges and agrees that it has conducted its own independent review and analysis of, and, based thereon, has formed an independent judgment concerning, the Company and the assets, condition, operations and prospects of the Company and its Subsidiaries. In entering into this Agreement, Buyer: (a) acknowledges that, other than as expressly set forth in this Agreement (including the Company Disclosure Letter), none of the Equityholders, the Company, nor any of their respective Affiliates, agents or representatives makes or has made any representation or warranty, either express or implied, (i) as to the accuracy or completeness of any of the information provided or made available to Buyer or its agents or representatives prior to the execution of this Agreement, including any presentation to Buyer or its agents or representatives by management of the Company or materials furnished in the on-line data site prepared by the Company or other due diligence information provided to Buyer or its agents or representatives or (ii) with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of the Company or any of its Subsidiaries; (b) agrees, to the fullest extent permitted by Law and other than as expressly set forth in this Agreement (including the Company Disclosure Letter), that none of Equityholders, the Company, nor any of their respective Affiliates, directors, officers, employees, agents or representatives shall have any direct personal liability or responsibility whatsoever to Buyer or its Affiliates on any basis (including contract, tort, or otherwise) based upon any information provided or made available, or statements made, to Buyer prior to the

execution of this Agreement, including any presentation to Buyer or its agents or representatives by management of the Company or materials furnished in the on-line data site prepared by the Company or other due diligence information provided to Buyer or its agents or representatives, provided nothing herein will release the Company, nor any of their respective Affiliates, directors, officers, employees, agents or representatives arising from Fraud. Except for the representations and warranties expressly set forth in ARTICLE III (including the Company Disclosure Letter), Buyer has not relied on any statement or representation in making its decision to acquire the Company and the Company Common Stock.

ARTICLE V

COVENANTS AND AGREEMENTS

Section 5.1 Conduct of Business by the Company Pending the Merger. The Company covenants and agrees that, between the date of this Agreement and the earlier of the Effective Time and the date, if any, on which this Agreement is terminated in accordance with Section 7.1, except (1) as required by applicable Law, (2) as may be expressly consented to in writing by Buyer (provided that such consent shall not be unreasonably withheld, delayed or conditioned), (3) as may be expressly required pursuant to this Agreement; (4) as required by the terms of any Company Material Contract set forth on Section 3.15 of the Company Disclosure Letter as in effect on the date of this Agreement or (5) as set forth on Section 5.1 of the Company Disclosure Letter,

(a) the Company shall, and shall cause each of its Subsidiaries to, conduct the business of the Company and its Subsidiaries in all material respects in the ordinary course of business and in a manner consistent with past practice and, to the extent consistent therewith and shall use commercially reasonable efforts to:

(i) preserve its assets and business organization intact in all material respects;

(ii) maintain its existing business relations and goodwill with customers, suppliers, licensors, distributors, Governmental Authorities, employees (other than termination for cause) and business partners, in each case whose business relationships are material to the Company and its Subsidiaries, taken as a whole;

(iii) pay accounts payable to the Company's suppliers when due and payable, provided consistent with past practice, but in no event later than required, in the reasonable business judgment of the Company, to ensure no default by the Company is called and to preserve the Company's goodwill and credit with the suppliers;

(iv) retain the services of the Company's executive officers and employees, in its reasonable business judgment; and

(v) maintain in effect all business licenses, permits, consents, franchises and approvals and authorizations necessary for the conduct of the business of the Company and its Subsidiaries as conducted on the date hereof,

provided that, with respect to clause (a), no action or failure to take action with respect to matters specifically addressed by any of the provisions of clause (b) shall constitute a breach of clause (a) unless such action or failure to take action would constitute a breach of such applicable provision of clause (b)), and (b) without limiting the generality of clause (a),

(b) without limiting the generality of clause (a), the Company shall not, and shall cause each of its Subsidiaries not to, directly or indirectly:

(i) amend the Certificate of Incorporation or the Bylaws (or such similar organizational or governing documents of any Subsidiary of the Company);

(ii) adjust, split, reverse split, combine, subdivide, reclassify, redeem, purchase, repurchase or otherwise acquire, directly or indirectly, or amend the terms of, the Company's or any of its Subsidiaries' Securities, including any options, equity or equity-based compensation, warrants, convertible Securities or other rights of any kind to acquire any of such Securities, or for any acquisitions or deemed acquisitions of any equity Securities of the Company in connection with the forfeiture of, or the withholding of Taxes in connection with the exercise, vesting or settlement of, any Company Options;

(iii) issue, sell, pledge, modify, transfer, dispose of, encumber or grant, or authorize the same with respect to, directly or indirectly, any of the Company's or any of its Subsidiaries' Securities, including any options, equity or equity-based compensation, warrants, convertible Securities or other rights of any kind to acquire such Securities; provided, however, that the Company may issue shares of Company Common Stock upon the exercise of Company Options outstanding as of the date of this Agreement (or permitted to be granted pursuant to this Agreement after the date hereof as set forth on Section 5.1(b)(iii) of the Company Disclosure Letter) in accordance with the respective terms of such Company Options;

(iv) except for cash dividends by direct or indirect wholly owned Subsidiaries of the Company to its respective parent, declare, set aside, authorize, make or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to the Company's or any of its Subsidiaries' Securities;

(v) make any extraordinary payments or enter into any Company Material Contract or any material service engagement contract, in each case outside of the Company's ordinary course of business and other than in a manner consistent with past practice;

(vi) except as required by applicable Law or the terms of a Benefit Plan in existence as of the date of this Agreement, (i) establish, adopt, enter into, materially amend or terminate any Benefit Plan, or any plan, program, policy, practice, agreement or other arrangement that would be a Benefit Plan if it had been in existence on the date of this Agreement (other than as expressly permitted by Section

5.1(b)(vi)); (ii) grant, or commit to grant, any bonus, incentive or profit-sharing award or payment, or increase the base salary or cash bonus opportunity to any director, officer, employee, or consultant of the Company or any Subsidiary, except in the case of increases in annual base salaries for employees below the rank or title of vice president, at times and in dollar amounts in the ordinary course of business in connection with the Company's annual salary review process consistent with past practice; (iii) accelerate or take any action to accelerate any payment or benefit, or the funding of any payment or benefit, payable or to become payable to any current or former director, officer, employee, or consultant of the Company or any Subsidiary; (iv) communicate with the employees of the Company or any of its Subsidiaries regarding the compensation or benefits they will receive following the Effective Time, unless such communication is (A) approved by Buyer in advance of such communication or (B) required by applicable Law; or (v) except as may be required by GAAP, materially change any actuarial or other assumptions used to calculate funding obligations with respect to any Benefit Plan or materially change the manner in which contributions to such plans are made or the basis on which such contributions are determined;

(vii) waive, release or limit any restrictive covenant of any current or former employee or independent contractor of the Company or any Subsidiary;

(viii) make any loan or advance to (other than travel and similar advances to its employees in the ordinary course of business and consistent with past practice), or capital contribution to, or investment (other than purchases of inventory or supplies in the ordinary course of business consistent with past practice or capital expenditures permitted pursuant to Section 5.1(b)(xviii)) in, any Person (other than direct or indirect wholly owned Subsidiaries of the Company) in excess of $50,000 in the aggregate;

(ix) forgive any loans or advances to any officers, employees or directors of the Company or its Subsidiaries, or any of their respective Affiliates, or change its existing borrowing or lending arrangements for or on behalf of any of such Persons pursuant to an employee benefit plan or otherwise, except in the ordinary course of business in connection with relocation activities to any employees of the Company or its Subsidiaries;

(x) acquire (including by merger, consolidation, acquisition of stock or assets or otherwise) any corporation, partnership, limited liability company, joint venture, other business organization, any division of any of the foregoing, any equity interest in any of the foregoing, or all or any material portion of the assets, business or properties of any Person;

(xi) sell, pledge, dispose of, transfer, abandon, lease (as lessor), license (except in accordance with Section 5.1(b)(xv)), encumber, mortgage, incur any Lien (other

than Permitted Liens) (including pursuant to a sale-leaseback transaction or an asset securitization transaction) on or otherwise transfer or encumber any portion of the tangible or intangible material assets, business, or real property of the Company or any of its Subsidiaries (other than Intellectual Property, which is addressed in Section 5.1(b)(xxi)) except (A) in connection with services provided in the ordinary course of business and consistent with past practice, (B) sales of product inventory in the ordinary course of business and consistent with past practice, (C) for sales of obsolete assets, (D) for transactions solely among the Company and one or more of its direct or indirect wholly owned Subsidiaries or solely among such Subsidiaries of the Company, (E) for sales, leases or other dispositions of assets with a fair market value in an amount not to exceed $10,000 in the aggregate,

(xii) enter into any new line of business that is material to the business of the Company and its Subsidiaries, taken as a whole;

(xiii) (i) except as expressly required pursuant to the terms thereof, pay, discharge or satisfy any Indebtedness that has a prepayment cost, "make whole" amount, prepayment penalty or similar obligation (other than Indebtedness incurred by the Company or its wholly owned Subsidiaries and solely owed to the Company or its wholly owned Subsidiaries) or (ii) cancel any material Indebtedness (individually or in the aggregate) or settle, waive or amend any material claims or rights of substantial value;

(xiv) (i) incur, create, assume, guarantee or otherwise become liable or responsible for any Indebtedness other than Indebtedness incurred by the Company or its direct or indirect wholly owned Subsidiaries in the ordinary course of business consistent with past practice or (ii) issue or sell any debt securities of the Company or any of its Subsidiaries, including options, warrants, calls or similar rights, in each case, to acquire any debt securities of the Company or any of its Subsidiaries;

(xv) negotiate, amend, extend, renew (except, with respect to software license and product development Contracts, pursuant to the renewal provisions thereof) terminate or enter into, or agree to any material amendment or material modification of, or waive, release or assign any material rights under, any Company Material Contract, any Contract with a Material Supplier, or any material Lease for any Company Leased Property, or any Contract that would have been a Company Material Contract or a material Lease had it been entered into prior to the date of this Agreement; provided, however, that the foregoing exception shall not apply to any Contract that requires or provides for consent, acceleration, termination or any other material right or consequence triggered in whole or in part by the Merger or any of the other transactions contemplated by this Agreement;

(xvi) negotiate, amend, modify, enter into or terminate any Labor Agreement, except as required pursuant to an applicable Contract in effect as of the date of this Agreement;

(xvii) make any material change to its or any of its Subsidiaries' methods, policies and procedures of accounting, except as required by GAAP or applicable Law;

(xviii) except (i) as set forth in the Company's existing capital budget; or (ii) as relates to the purchase of inventory in the ordinary course of business, make or authorize any capital expenditure exceeding $100,000 in the aggregate;

(xix) agree to release, compromise, assign, settle, or resolve any threatened or pending Proceeding, other than settlements that result solely in monetary obligations involving payment (without the admission of wrongdoing) by the Company or any of its Subsidiaries of an amount not greater than $50,000 (net of insurance proceeds) in the aggregate;

(xx) fail to use commercially reasonable efforts to maintain in effect material insurance policies covering the Company and its Subsidiaries and their respective properties, assets and businesses;

(xxi) (i) sell, transfer, assign, lease, license or otherwise dispose of (whether by merger, stock or asset sale or otherwise) to any Person any rights to any Company Intellectual Property material to the Company and its Subsidiaries, taken as a whole (except for licensing non-exclusive rights for the primary purpose of (A) conducting clinical research, entered into with a clinical research organization; (B) material transfer, sponsored research or other similar matters; (C) establishing confidentiality or non-disclosure obligations; (D) conducting clinical trials; or (E) manufacturing, labeling or selling the Company's or any of its Subsidiaries' products or services); (ii) fail to use reasonable efforts not to cancel, dedicate to the public, disclaim, forfeit, reissue, reexamine or abandon without filing a substantially identical counterpart in the same jurisdiction with the same priority or allow to lapse (except with respect to Patents expiring in accordance with their terms) any Company Intellectual Property material to the Company and its Subsidiaries, taken as a whole; (iii) fail to use all reasonable efforts to make any filing, pay any fee, or take any other action necessary to prosecute and maintain in full force and effect any Company Registered IP including allowing any such patent families with pending applications to close by not filing a continuing application; (iv) make any change in Company Intellectual Property that is or would reasonably be expected to materially impair the Company's or any of its Subsidiaries' rights with respect to the Company Intellectual Property; (v) disclose to any Person (other than Representatives of Buyer and Merger Sub), any Trade Secrets, know-how or confidential or proprietary information, except in the ordinary course of business to a Person that is subject to confidentiality obligations; or (vi) fail to take or maintain reasonable measures to protect the

confidentiality and value of material Trade Secrets included in the Company Owned IP;

(xxii) except as required by applicable Law, (i) make or change any material Tax election or adopt or change any material method of Tax accounting; (ii) file any material amended Tax Return; (iii) settle or compromise any audit, assessment or other Proceeding relating to Taxes; (iv) agree to an extension or waiver of the statute of limitations with respect to Taxes; (v) enter into any "closing agreement" within the meaning of Section 7121 of the Code (or any similar provision of state, local or non-U.S. Law); or (vi) surrender any right to claim a Tax refund;

(xxiii) merge or consolidate the Company or any of its Subsidiaries with any Person or adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of the Company or any of its Subsidiaries;

(xxiv) enter into or adopt any stockholder rights plans (or similar plans commonly referred to as a "poison pill") under which the Company is or may become obligated to sell or otherwise issue any shares of its capital stock or any other Securities;

(xxv) enter into any agreement, contract, commitment or arrangement to do, or adopt any resolutions approving or authorizing, or publicly announce an intention to do, any of the foregoing;

(xxvi) apply for or obtain any loan or other Indebtedness or amount pursuant to or in connection with the CARES Act (including the Paycheck Protection Program and any other programs established thereby) or any other COVID-19 related Law;

(xxvii) make (i) any filings, applications or registrations with any Governmental Authority relating to COVID-19 or (ii) any other filings, applications or registrations with any Governmental Authority, in each case other than as required by Law or other than routine filings and registrations made in the ordinary course of business consistent with past practice; or

(xxviii) grant Families First Coronavirus Response Act leave to any employee or grant an accommodation to any employee as a result of or in connection with COVID-19 (without identifying the specific reason that the individual is on leave or being provided an accommodation and without scheduling the name of each individual on leave and the expected return date, and each individual with an accommodation, the type of accommodation, and its expected duration).

Nothing contained herein shall give Buyer, Merger Sub or any of their respective Affiliates, directly or indirectly, the right to control or direct the Company's or its Subsidiaries' operations prior to the Effective Time, and nothing contained herein shall give the Company, directly or indirectly, the right to control or direct Buyer's or its Subsidiaries' operations prior to the Effective Time. Prior to the Effective

Time, each of the Company and Buyer shall exercise, subject to the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' respective operations.

Section 5.2 Proxy Statement; Company Stockholders' Meeting.

(a) As promptly as reasonably practicable following the date of this Agreement, the Company shall prepare the Proxy Statement and to cause the Proxy Statement to be mailed to the Company's stockholders within 20 days after the date of this Agreement. If at any time prior to the Company Stockholders' Meeting there shall occur any event that is required to be set forth in an amendment or supplement to the Proxy Statement, the Company shall as promptly as reasonably practicable prepare and mail to its stockholders such an amendment or supplement.

(b) Except to the extent that the Board shall have effected a Company Adverse Recommendation Change in accordance with Section 5.5(f), the Proxy Statement shall include the Company Board Recommendation without any change or qualification.

(c) Notwithstanding anything to the contrary in this Section 5.2, prior to mailing the Proxy Statement (or any amendment or supplement thereto), the Company shall provide Buyer an opportunity to review and comment on such document and the Company shall include any comments made by Buyer and its counsel in the Proxy Statement.

(d) The Proxy Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

(e) Each of the Company, Buyer and Merger Sub agrees to promptly (i) correct any information provided by it specifically for use in the Proxy Statement if and to the extent that such information will have become false or misleading in any material respect and (ii) supplement the information provided by it specifically for use in the Proxy Statement to include any information that will become necessary in order to make the statements in the Proxy Statement, in light of the circumstances under which they were made, not misleading. The Company further agrees to cause the Proxy Statement as so corrected or supplemented promptly to be disseminated to the holders of Company Common Stock, in each case as and to the extent required by applicable Law.

(f) Subject to the earlier termination of this Agreement in accordance with Section 6.1, the Company shall duly call, give notice of, convene and hold, as promptly as practicable after the date of this Agreement, a special meeting of the Company's stockholders (including any adjournment or postponement thereof, the "**Company Stockholders' Meeting**"), in accordance with applicable Law and its constituent documents for the purpose of considering and voting on the adoption of this Agreement, the Merger and other transactions contemplated by this Agreement and shall submit such proposal to such holders at the Company Stockholders' Meeting. The Company shall not submit any other proposal to such holders in connection with the Company Stockholders' Meeting without the prior written consent of Buyer (which consent shall not be unreasonably conditioned, withheld or delayed) except for a proposal to (i) approve the Merger and adopt this Agreement and (ii) adjourn the Company Stockholders' Meeting if there are insufficient affirmative votes represented at the Company Stockholders' Meeting to obtain the Company Stockholder Approval. The Company shall not adjourn or otherwise postpone or delay the

Company Stockholders' Meeting without the prior written consent of Buyer; provided, however, that the Company may, without the prior written consent of Buyer, adjourn or postpone the Company Stockholders' Meeting (A) to the extent necessary to ensure that any required supplement or amendment to the Proxy Statement is provided to the stockholders of the Company, provided, that the Company has consulted with Buyer prior to such adjournment or postponement, (B) if as of the time for which the Company Stockholders' Meeting is originally scheduled (as set forth in the Proxy Statement) there are insufficient shares of Company Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Company Stockholders' Meeting, or (C) to allow reasonable time in order to solicit additional proxies if necessary to obtain the Company Stockholder Approval. The Company shall, through the Company Board, make the Company Recommendation, and shall include such Company Recommendation in the Proxy Statement, and use its reasonable efforts to solicit from its stockholders proxies in favor of the adoption of this Agreement.

(g) The Company shall use its reasonable best efforts to solicit from its stockholders proxies in favor of the adoption of this Agreement, and to take all other actions necessary or advisable to secure the Company Stockholder Approval. Without limiting the generality of the foregoing, if, at the time of the originally scheduled date of the Company Stockholders' Meeting, a quorum has not been established or the Company has not received proxies representing a sufficient number of Shares for the Company Stockholder Approval, then the Company shall, at the request of Buyer (to the extent permitted by Law), adjourn the Company Stockholders' Meeting to a date specified by Buyer; provided that the Company shall not be required pursuant to this sentence to adjourn the Company Stockholders' Meeting more than two times or for more than twenty (20) Business Days in the aggregate from the originally scheduled date of the Company Stockholders' Meeting, and provided that no postponement or adjournment shall be required if it would require a change to the record date for the Company Stockholders' Meeting.

(h) Promptly following the execution of this Agreement, Buyer shall execute and deliver, in accordance with Section 228 of the DGCL and in its capacity as the sole direct or indirect stockholder of Merger Sub, a written consent evidencing the approval and adoption of the Merger, this Agreement and the other transactions contemplated hereby.

Section 5.3 Appropriate Action; Consents; Filings.

(a) Subject to the terms and conditions of this Agreement, the parties hereto will use their respective reasonable best efforts to consummate and make effective the transactions contemplated by this Agreement and to cause the conditions to the Merger set forth in ARTICLE VI to be satisfied, including using reasonable best efforts to accomplish the following: (i) the obtaining of all necessary actions or non-actions, consents and approvals from Governmental Authorities or other Persons necessary in connection with the consummation of the transactions contemplated by this Agreement, including the Merger, (ii) the making of all necessary registrations and filings (including filings with Governmental Authorities, if any) and the taking of all reasonable steps as may be necessary to obtain approval from, or to avoid a Proceeding by, any Governmental Authority or other Persons necessary in connection with the consummation of the transactions contemplated by this Agreement, including the Merger, and (iii) obtaining execution of the Executive Officer Retention Agreements.

(b) Notwithstanding any other provision contained herein or otherwise, (i) the Company and Buyer shall reasonably cooperate with each other in good faith to file a joint declaration, notice, non-notified transaction inquiry response, or other submission ("**Declaration**" in the case of short-form or "**Notice**" in the case of long-form) with CFIUS, if at any time on or prior to the date that is 14 days following the date of this Agreement, either Buyer or Company provides notice to the other that it has concluded in good faith and on the advice of legal counsel that CFIUS filing is warranted, or if, at any time, CFIUS requests (verbally or in writing) a Notice with respect to the Merger, and (ii) if at any time on or prior to the date that is 14 days following the date of this Agreement, Buyer or Company provides notice to the other that it has determined to proceed with a filing of a Declaration or a Notice or if, at any time, CFIUS requests (verbally or in writing) a Notice, the Buyer and Company shall coordinate with each other in using reasonable best efforts (including accepting and implementing mitigation measures), in compliance with applicable law or regulations, to obtain CFIUS Approval with respect to the Merger. Such reasonable best efforts shall include to (A) provide as promptly as practicable to each other's counsel and to CFIUS any additional or supplemental information and documentary material as may be necessary, proper or advisable in connection with preparation and submission of the Notice and thereafter to achieve CFIUS Approval for the Transaction; (B) permit the other party to review reasonably in advance any material communication (subject to appropriate redactions to maintain confidentiality of business information as mutually agreed to by the parties) proposed to be given by it to CFIUS, and consult with each other in advance of any meeting or conference with CFIUS, and, to the extent permitted by CFIUS, give the other party the opportunity to attend and participate in any such meeting or conference; and (C) keep each other timely apprised of the status and content of any material communications with, and any inquiries or requests for additional information or documentary material from, CFIUS, in each case to the extent permitted by applicable law and subject to customary confidentiality and all applicable privileges (including the attorney-client privilege).

(c) In connection with and without limiting the efforts referenced in this Section 5.3, each of the parties hereto will furnish to the other such necessary information and reasonable assistance as the other may reasonably request in connection with the preparation of any required governmental filings or submissions and will cooperate in responding to any investigation or other inquiry from a Governmental Authority or in connection with any Proceeding initiated by a private party.

(d) The parties shall consult with each other with respect to obtaining all permits and Consents necessary to consummate the transactions contemplated by this Agreement, including the Merger.

Section 5.4 Access to Information; Confidentiality. From the date of this Agreement until the earlier of the Effective Time and the date, if any, on which this Agreement is terminated in accordance with Section 7.1, the Company shall, and shall cause each of its Subsidiaries to, afford to Buyer and Merger Sub, and their respective Representatives, reasonable access, to be coordinated through the Company or its designated Representatives in accordance with such reasonable procedures as they may establish, during normal business hours and upon reasonable notice, to all of the officers, employees, agents, properties, books, contracts and records of the Company and its Subsidiaries, and during such period, the Company shall, and shall cause each of its Subsidiaries to, furnish reasonably promptly all other information concerning the business, properties and personnel of the Company and its Subsidiaries as Buyer or Merger Sub may reasonably request; provided, that, notwithstanding the foregoing, the

Company may restrict or prohibit such access to the extent that (a) any applicable Law requires the Company or its Subsidiaries to restrict or prohibit such access; (b) granting such access would violate any Contract or material obligation of the Company or any of its Subsidiaries with a third Person with respect to confidentiality or otherwise breach, contravene or violate, constitute a default under, or give a third Person the right to terminate or accelerate any obligations under, any then-effective Contract to which the Company or any of its Subsidiaries is a party or would disclose any information that is competitively sensitive; (c) granting such access would unreasonably disrupt the operations of the Company; or (d) granting access to such documents or information would reasonably be expected to result in a waiver of any attorney-client privilege, work product doctrine or other applicable privilege in respect of such documents or information, provided, however, that the Company shall use good faith efforts to communicate the applicable information to Buyer in a manner that would not violate applicable Law, Contract or material obligation or waive such privilege or work-product doctrine. Prior to the Effective Time, Buyer and Merger Sub will hold any information obtained pursuant to this Section 5.4 in accordance with the terms of the Confidentiality Agreement. No investigation pursuant to this Section 5.4 shall affect or be deemed to modify any representation or warranty made by the Company hereunder. Notwithstanding anything contained herein to the contrary, the Company and its Subsidiaries shall not be required to provide any access or make any disclosure to Buyer pursuant to this Section 5.4 to the extent such access or information is reasonably pertinent to a litigation where the Company or any of its Affiliates, on the one hand, and Buyer or any of its Affiliates, on the other hand, are adverse parties. Notwithstanding anything contained herein to the contrary, neither Buyer nor any of its Representatives shall be allowed to sample or analyze any soil or groundwater or other environmental media, or any building material, without the prior written consent of the Company, which consent may be withheld in the sole discretion of the Company.

Section 5.5 No Solicitation.

(a) Termination of Discussions. From the date of this Agreement until the earlier of the Effective Time and the date, if any, on which this Agreement is terminated in accordance with Section 7.1 (the "**Pre-Closing Period**"), the Company shall immediately cease and cause to be terminated, and shall cause its Subsidiaries and instruct its and its Subsidiaries' Representatives to immediately cease and cause to be terminated, all existing activities, discussions, negotiations and communications, if any, with any Persons (or any of their Representatives) with respect to any Company Acquisition Proposal (other than Buyer or any of its Affiliates or Representatives with respect to the transactions contemplated by this Agreement).

(b) Non-Solicitation. During the Pre-Closing Period, the Company shall not, and shall not permit its Subsidiaries and its and its Subsidiaries' Representatives to, directly or indirectly, (i) initiate, seek, solicit, facilitate or knowingly encourage, or knowingly induce the making, submission or announcement of, any Company Acquisition Proposal, (ii) enter into, continue or otherwise participate in any negotiations or discussions with, or furnish or cause to be furnished any non-public information or data to, or furnish access to the Company's (or any of its Subsidiaries') properties with respect to, any Person (other than Buyer or any of its Affiliates or Representatives) relating to any Company Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to any Company Acquisition Proposal (other than informing any Persons of the provisions of this Section 5.5), or grant any waiver or release under (or terminate, amend or modify any provision of) any confidentiality agreement

to which the Company is a party, (C) execute or enter into any binding or non-binding letter of intent, agreement in principle, memorandum of understanding, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other agreement, commitment, arrangement or understanding relating to or in connection with, or that is intended to lead to, any Company Acquisition Proposal (each, an "**Alternative Acquisition Agreement**"), (D) submit to the stockholders of the Company for their approval any Company Acquisition Proposal, or (E) resolve to do, or agree or publicly announce an intention to do, any of the foregoing.

(c) Permitted Actions. Notwithstanding Section 5.5(a), prior to the receipt of the Company Stockholder Approval, the Company Board, directly or indirectly through any Representative, may, subject to Section 5.5(d): (i) participate in negotiations or discussions with any third party that has made (and not withdrawn) a bona fide, unsolicited Company Acquisition Proposal in writing that did not result from a breach (or deemed breach) of Section 5.5(a) and the Company Board believes in good faith, after consultation with its financial advisors and outside legal counsel, constitutes or would reasonably be expected to result in a Superior Proposal; (ii) thereafter furnish to such third party non-public information relating to the Company or any of its Subsidiaries pursuant to an executed confidentiality agreement that constitutes an Acceptable Confidentiality Agreement (a copy of which confidentiality agreement shall be promptly (in all events within 24 hours) provided for informational purposes only to Buyer); and/or (iii) take any action that any court of competent jurisdiction orders the Company to take (which order remains unstayed), but in each case referred to in the foregoing clauses (i) through (iii), only if the Company Board determines in good faith, after consultation with its financial advisors and outside legal counsel, that the failure to take such action would reasonably be expected to cause the Company Board to be in breach of any of its fiduciary duties under applicable Law. Nothing contained herein shall prevent the Company Board from disclosing to the Company's stockholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act with regard to a Company Acquisition Proposal, if the Company determines, after consultation with its financial advisors and outside legal counsel, that failure to disclose such position would reasonably be expected to cause the Company Board to be in breach of any of its fiduciary duties under applicable Law. The Company shall deliver to Buyer a copy of any executed Acceptable Confidentiality Agreement entered into after the date hereof promptly (and in any event within 24 hours) following its execution. The Company shall provide any non-public information concerning the Company or any of the Company Subsidiaries provided by the Company or any Company Subsidiary to any person entering into an Acceptable Confidentiality Agreement pursuant to this Section 5.5(c) that has not been previously provided to Buyer prior to or substantially concurrently with the time it is provided to such person.

(d) Notification to Buyer. The Company Board shall not take any of the actions referred to in clauses (i) through (iv) of Section 5.5(c) unless the Company shall have delivered to Buyer a prior written notice advising Buyer that it intends to take such action. The Company shall notify Buyer promptly (but in no event later than 24 hours) after it obtains Knowledge of the receipt by the Company (or any of its Representatives) of any Company Acquisition Proposal, any inquiry that could reasonably be expected to lead to a Company Acquisition Proposal, any request for non-public information relating to the Company or any of its Subsidiaries or for access to the business, properties, assets, books, or records of the Company or any of its Subsidiaries by any third party. In such notice, the Company shall identify the third party making, and details of the material terms and conditions of, any such Company Acquisition Proposal, indication or request, including any proposed financing. The Company shall keep Buyer fully

informed, on a current basis, of the status and material terms of any such Company Acquisition Proposal, indication or request, including any material amendments or proposed amendments as to price, proposed financing, and other material terms thereof. The Company shall provide Buyer with at least 48 hours' prior notice of any meeting of the Company Board (or such lesser notice as is provided to the members of the Company Board) at which the Company Board is reasonably expected to consider any Company Acquisition Proposal. The Company shall promptly provide Buyer with a list of any non-public information concerning the Company's and any of its Subsidiary's business, present or future performance, financial condition, or results of operations, provided to any third party, and, to the extent such information has not been previously provided to Buyer, copies of such information. The Company will, promptly upon receipt or delivery thereof (and in any event within 24 hours), provide Buyer (and its outside counsel) with copies of all drafts and final versions of definitive or other agreements including schedules and exhibits thereto relating to such Acquisition Proposal, in each case exchanged between the Company or any of its Representatives, on the one hand, and the person making such Acquisition Proposal or any of its Representatives, on the other hand. The Company shall promptly, and in any event within 24 hours, following a determination in good faith by the Company Board (or any committee thereof) after consultation with its outside legal counsel and financial advisor that an Acquisition Proposal is a Superior Proposal, notify Buyer of such determination.

(e) No Company Adverse Recommendation Change. Neither the Company Board nor any committee thereof shall (i) withdraw, qualify or modify in a manner adverse to Buyer, or publicly propose to withdraw, qualify or modify in a manner adverse to Buyer, the Company Recommendation, (ii) approve, authorize, declare advisable, endorse or recommend (or publicly propose to approve, authorize, declare advisable, endorse or recommend) any Company Acquisition Proposal, (iii) fail to include in the Proxy Statement the Company Recommendation, (iv) fail to recommend against any Company Acquisition Proposal that is a tender or exchange offer within ten (10) Business Days after the commencement of such tender or exchange offer (any action described in clauses (i) through (iv) of this sentence being referred to as a "**Company Adverse Recommendation Change**"), or (v) adopt or approve, or propose to adopt or approve, or allow the Company or any of its Subsidiaries to execute or enter into, any Alternative Acquisition Agreement.

(f) Superior Proposal. Notwithstanding Section 5.5(e), at any time prior to the receipt of the Company Stockholder Approval, the Company Board may (i) effect a Company Adverse Recommendation Change, and (ii) terminate this Agreement by written notice to Buyer to enable the Company enter into (or permit any Subsidiary to enter into) an Alternative Acquisition Agreement if:

(x) the Company receives a written Acquisition Proposal that did not result from a material breach of this Section 5.5,

(y) the Company Board determines in good faith (after consultation with its outside legal and financial advisors) that the Acquisition Proposal is a Superior Proposal and determines in good faith (after consultation with outside legal counsel) that its failure to take such actions would be inconsistent with its fiduciary duties under applicable Law, and

(z) if the Company determines to terminate this Agreement, the Company has, prior to or substantially concurrently with, and as a condition to the effectiveness of, such termination, the Company has delivered written notice of termination to Buyer pursuant to Section 7.1(c)(ii) and, prior to or concurrently with such termination, paid to Buyer the Termination Fee,

provided that prior to effecting such a Company Adverse Recommendation Change or termination of this Agreement:

(A) the Company promptly notifies Buyer, in writing, at least five (5) Business Days (the "**Superior Proposal Notice Period**") before making a Company Adverse Recommendation Change or entering into (or causing a Subsidiary to enter into) an Alternative Acquisition Agreement, of its intention to take such action with respect to a Superior Proposal, which notice shall state expressly that the Company has received a Company Acquisition Proposal, that the Company Board intends to declare a Superior Proposal, and that the Company Board intends to effect a Company Adverse Recommendation Change and/or the Company intends to enter into an Alternative Acquisition Agreement;

(B) the Company specifies the identity of the party making the Superior Proposal and the material terms and conditions thereof in such notice and includes an unredacted copy of the Company Acquisition Proposal and attaches to such notice the most current version of any proposed agreement (which version shall be updated on a prompt basis) for such Superior Proposal and any related documents, including financing documents, to the extent provided by the relevant party in connection with the Superior Proposal;

(C) if requested to do so by Buyer, for a period of five (5) Business Days following delivery of such notice the Company and its Representatives, negotiate with Buyer in good faith, and make its Representatives available to discuss and negotiate in good faith, to make such modifications and adjustments to the terms and conditions of this Agreement proposed by the Buyer in good faith so that such Company Acquisition Proposal ceases to constitute a Superior Proposal, if Buyer, in its discretion, proposes to make such adjustments (it being agreed that in the event that, after commencement of the Superior Proposal Notice Period, there is any material revision to the terms of a Superior Proposal, including, any revision in price, the Superior Proposal Notice Period shall be extended, if applicable, to ensure that at least three (3) Business Days remains in the Superior Proposal Notice Period subsequent to the time the Company notifies Buyer of any such material revision (it being understood that there may be multiple extensions)); and

(D) the Company Board determines in good faith, after consulting with its financial advisors and outside legal counsel, that such Company Acquisition Proposal continues to constitute a Superior Proposal (after taking into account any adjustments made by Buyer during the Superior Proposal Notice Period in the terms and conditions of this Agreement) and that the failure to take such action would reasonably be expected to cause the

Company Board to be in breach of any of its fiduciary duties under applicable Law. It is understood and agreed that any change to the material terms of a proposal that was previously the subject of a notice hereunder shall require a new notice to Buyer as provided above.

(g) Intervening Event. Notwithstanding anything to the contrary in the foregoing, in response to an Intervening Event that has occurred after the date of this Agreement but prior to the receipt of the Company Stockholder Approval, the Company Board may effect a Company Adverse Recommendation Change if: (i) prior to effecting the Company Adverse Recommendation Change, the Company promptly notifies Buyer, in writing, at least five (5) Business Days (the "**Intervening Event Notice Period**") before taking such action of its intent to consider such action (which notice shall not, by itself, constitute a Company Adverse Recommendation Change), and which notice shall include a reasonably detailed description of the underlying facts giving rise to, and the reasons for taking, such action; (ii) the Company shall, and shall cause its Representatives to, during the Intervening Event Notice Period, negotiate with Buyer in good faith to make such adjustments in the terms and conditions of this Agreement so that the underlying facts giving rise to, and the reasons for taking such action, ceases to constitute an Intervening Event, if Buyer, in its discretion, proposes to make such adjustments (it being agreed that in the event that, after commencement of the Intervening Event Notice Period, there is any material development in an Intervening Event, the Intervening Event Notice Period shall be extended, if applicable, to ensure that at least three (3) Business Days remains in the Intervening Event Notice Period subsequent to the time the Company notifies Buyer of any such material development (it being understood that there may be multiple extensions)); and (iii) the Company Board determines in good faith, after consulting with its financial advisors and outside legal counsel, that the failure to effect such Company Adverse Recommendation Change, after taking into account any adjustments made by Buyer during the Intervening Event Notice Period, would reasonably be expected to cause the Company Board to be in breach of any of its fiduciary duties under applicable Law. The Company acknowledges and hereby agrees that any Company Adverse Recommendation Change effected (or proposed to be effected) in response to or in connection with any Company Acquisition Proposal may be made solely and exclusively pursuant to Section 5.5(e) only, and may not be made pursuant to this Section 5.5(g), and any Company Adverse Recommendation Change may only be made pursuant to this Section 5.5 and no other provisions of this Agreement.

Section 5.6 Public Disclosure. Buyer and the Company shall mutually agree on the initial press release or releases with respect to the execution of this Agreement. Thereafter, during the period that this Agreement remains in effect, except as otherwise expressly permitted by this Agreement, neither the Company nor Buyer, nor any of their respective Affiliates, shall issue any press release or other announcement with respect to the Merger, the other transactions contemplated by this Agreement or this Agreement without the prior consent of the other party (such consent not to be unreasonably conditioned, withheld or delayed), except as such press release or other announcement may be required by Law or the rules of a national securities exchange or trading market on which such party's Securities are listed, in which case the party required to make the release or announcement shall use its reasonable efforts to provide the other party with a reasonable opportunity to review and comment on such release or announcement in advance of its issuance.

Section 5.7 Intellectual Property Matters. The Company shall, prior to the Closing, use reasonable best efforts to ensure that title in all Company Registered IP is recorded in the name of the Company or one or more of its Subsidiaries, as applicable. The Company shall use reasonable efforts to ensure that all maintenance, annuity and other fees and all filings necessary to assure the continued enjoyment of any issued Company Registered IP, and all amendments, responses to office actions, issue fees and other fees and filings necessary to maintain the pendency of and pursue the prosecution of any pending applications have been and will be paid or filed on a timely basis through the Closing.

Section 5.8 Employee Matters.

(a) For the period commencing at the Effective Time and ending on the earlier of (i) the date that is twelve (12) months following the Effective Time and (ii) the date on which the employment of an employee of the Company or any of its Subsidiaries who continues his or her employment with Buyer, the Surviving Corporation or any of their respective Affiliates following the Effective Time (each, a "**Continuing Employee**") terminates, Buyer, the Surviving Corporation or any of their respective Affiliates shall provide each Continuing Employee with (A) an annual base salary no less favorable to the annual base salary provided to such Continuing Employee immediately prior to the Effective Time, (B) cash bonus and cash incentive opportunities that are no less favorable than the cash bonus and cash incentive opportunities provided to such Continuing Employee as of immediately prior to the Effective Time (excluding equity based compensation plans), (C) severance payments and benefits that are no less favorable than the severance payments and benefits to which such Continuing Employee would be entitled under the applicable Benefit Plan in effect as of immediately prior to the Effective Time, and (D) employee benefits that are comparable (in the aggregate) to the employee benefits (excluding for such purposes any defined benefit pension benefits and any equity based compensation plans) provided to such Continuing Employee as of immediately prior to the Effective Time.

(b) Buyer agrees to use commercially reasonable efforts to ensure that each Continuing Employee shall, as of the Effective Time, receive full credit for service with the Company or any of its Subsidiaries prior to the Effective Time for purposes of determining eligibility to participate, vesting and benefit accrual under the employee benefit plans, programs and policies of Buyer, the Surviving Corporation or any of their respective Affiliates in which such Continuing Employee becomes a participant (excluding, for the avoidance of doubt, with respect to any defined benefit pension plan or employer subsidized retiree medical benefits); provided, however, that nothing herein shall result in the duplication of any benefits for the same period of service. With respect to each health or welfare benefit plan maintained by Buyer, the Surviving Corporation or any of their respective Affiliates for the benefit of Continuing Employees (including any medical, dental, pharmaceutical or vision benefit plans), Buyer shall (i) cause to be waived any eligibility waiting periods, any evidence of insurability requirements or required physical examinations, actively-at-work requirements and the application of any pre-existing condition limitations under such plan to the extent such were waived or satisfied under the comparable health or welfare benefit plan of the Company or any of its Subsidiaries immediately prior to the Effective Time; and (ii) cause each Continuing Employee to be given credit under any such plans for all amounts paid (or otherwise deemed paid) by such Continuing Employee under any similar Benefit Plan for the plan year that includes the Effective Time for purposes of applying deductibles, co-payments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the plans maintained by Buyer, the Surviving Corporation or any of their respective Affiliates, as applicable,

for the plan year in which the Effective Time occurs; provided, however, that Buyer's obligations under this clause (ii) shall be subject to its receipt of all necessary information, from either the Company or such Continuing Employee, related to such amounts paid by such Continuing Employee.

(c) If directed in writing by Buyer at least ten (10) Business Days prior to the Effective Time, the Company shall (i) terminate, effective as of immediately prior to the Closing, any and all Benefit Plans intended to include a Code Section 401(k) arrangement (each, a "**Company 401(k) Plan**"), and (ii) provide Buyer with evidence that the Company 401(k) Plan has been terminated. If the Company terminates each Company 401(k) Plan at the written direction of Buyer as described in the immediately preceding sentence, Buyer shall, or shall cause one of its Subsidiaries or Affiliates to, cause a Code Section 401(k) arrangement sponsored or maintained by the Buyer or any such Subsidiary or Affiliate (each, a "**Buyer 401(k) Plan**") to permit each Continuing Employee participating in such a terminated Company 401(k) Plan as of immediately prior to the Closing Date to elect to rollover his or her account balances in such Company 401(k) Plan (including earnings through the date of transfer and promissory notes evidencing all outstanding loans) to an applicable Buyer 401(k) Plan, in each case in accordance with the terms of the applicable Company 401(k) Plan and Buyer 401(k) Plan. The Company and Buyer shall use commercially reasonable efforts to cooperate to effectuate any such rollovers, including by exchanging any necessary participant records or engaging any recordkeepers, administrators, providers, insurers, or other third parties.

(d) The provisions of this Section 5.8 are solely for the benefit of the parties to this Agreement, and no Continuing Employee (including any beneficiary or dependent thereof) shall be regarded for any purpose as a third-party beneficiary of this Agreement, and no provision of this Section 5.8 shall create such rights in any such Persons. Nothing herein shall (i) guarantee employment for any period of time or preclude the ability of Buyer, the Surviving Corporation or any of their respective Affiliates, as applicable, to terminate the employment of any Continuing Employee at any time and for any reason; (ii) require Buyer, the Surviving Corporation or any of their respective Affiliates, as applicable, to continue any Benefit Plans, or other employee benefit plans or arrangements or prevent the amendment, modification or termination thereof after the Effective Time; or (iii) amend any Benefit Plans or other employee benefit plans or arrangements.

Section 5.9 Merger Sub. Buyer will take all actions necessary to cause Merger Sub to comply with and perform all of its obligations under or relating to this Agreement, including causing Merger Sub to consummate the Merger upon the terms and subject to the conditions set forth in this Agreement.

Section 5.10 2022 Audited Financial Statements. The Company will deliver to Buyer the audited consolidated balance sheet of the Company and its Subsidiaries as of December 31, 2022 and 2021, and the related audited consolidated statements of operations, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, prepared in accordance with GAAP and each audited in accordance with United States generally accepted auditing standards and accompanied by the audit report of the Company's auditor (together, the "**2022 Audited Financial Statements**"), each of which (i) will be prepared in accordance with Law and GAAP applied on a consistent basis throughout the periods indicated (except as may be specifically indicated in the notes thereto) and (ii) fairly present, in all material respects, the financial position, results of operations, cash

flows and changes of equity of the Company as of their respective dates and for the respective periods indicated therein; provided that, upon delivery of the 2022 Audited Financial Statements, the representations and warranties set forth in Section 3.6 shall be deemed to apply to the 2022 Audited Financial Statements (as included within the definition of Financial Statements) with the same force and effect as if made as of the date of this Agreement.

Section 5.11 OTC Markets. Prior to the Effective Time, the Company shall use its reasonable best efforts to take, or cause to be taken, all actions, and do or cause to be done all things, necessary, proper or advisable on its part under Laws to cause the shares of Company Common Stock to be no longer quoted on the OTC Markets either immediately prior to or as of the Effective Time.

Section 5.12 State Takeover Laws. If any state takeover statute becomes or is deemed to become applicable to the Company, the Voting and Support Agreement, the Merger or the other transactions contemplated by this Agreement, then the Company Board shall take any and all actions within its control as are necessary to render such statutes inapplicable to the foregoing.

Section 5.13 Stockholder Litigation. The Company shall give Buyer notice as soon as possible of, and the opportunity to participate in (subject to a customary joint defense agreement), but not control, the defense or settlement of, any stockholder litigation against the Company or its directors or executive officers relating to or in connection with this Agreement, the Merger or any other transactions contemplated by this Agreement, whether commenced prior to or after the execution and delivery of this Agreement. The Company agrees that it shall not settle or offer to compromise or settle any such litigation commenced prior to or after the date of this Agreement against the Company or any of its directors or executive officers relating to or in connection with this Agreement, the Merger or any other transaction contemplated by this Agreement, in each case, without the prior written consent of Buyer (which consent shall not be unreasonably withheld, delayed or conditioned). The Company shall promptly notify Buyer of any such litigation and shall keep Buyer reasonably and promptly informed with respect to the status thereof. Without limiting the preceding sentence, the Company shall give Buyer the right to review and comment on all material filings or responses to be made by the Company in connection with any such Action, and the right to consult on the settlement with respect to, or other actions intended to moot, such Action, and the Company will in good faith take such comments into account.

Section 5.14 Resignations. As of the Effective Time, the directors of the Company shall resign and shall not continue on as a director of the Surviving Corporation. Prior to the Effective Time, upon Buyer's request, the Company shall use commercially reasonable efforts to cause any director of a Subsidiary of the Company, to execute and deliver a letter effectuating his or her resignation as a director of such entity effective as of the Effective Time.

Section 5.15 Tax Returns. The Company shall file all Tax Returns that it is required to file prior to the Closing in the ordinary course of business, and all such Tax Returns shall be true, correct and complete in all material respects and prepared in accordance with the Company's past practice unless otherwise required by applicable law. At the time that such Tax Returns are filed, the Company shall provide a copy to the Buyer.

Section 5.16 Equityholders' Representative.

(a) By voting in favor of the adoption of this Agreement, the approval of the principal terms of the Merger, and the consummation of the Merger or participating in the Merger and receiving the benefits thereof, including the right to receive the consideration payable in connection with the Merger, each Equityholder makes, constitutes and appoints the Equityholders' Representative, with full power of substitution and re-substitution, as Equityholder's representative, agent and true and lawful attorney-in-fact for such Equityholder and in Equityholder's name, place, and stead for all purposes in connection with this Agreement and the agreements ancillary hereto, including to sign, execute, deliver and perform any Transaction Documents required to be executed by such Equityholder (or any Transaction Documents by which such Equityholder is otherwise bound), to make and authorize amendments to, or waivers of, this Agreement or any other Transaction Document, to enforce the obligations of Buyer or the Company under this Agreement or any other Transaction Document, to act for the Equityholders with regard to all matters pertaining to the Transaction Documents, to give and receive all notices required or permitted by the Equityholders' Representative under this Agreement or any other Transaction Document and to receive service of process with respect to any claims made under this Agreement or any other Transaction Document, and to defend and/or settle any indemnification claims made by Buyer or the Company pursuant to the terms of this Agreement or any other Transaction Document, and to take all other actions which under this Agreement may be taken by the Equityholders' Representative and to do or refrain from doing any further act or deed on behalf of such Equityholder which the Equityholders' Representative deems necessary or appropriate in its reasonable discretion to give effect to this Agreement as fully and completely as such Equityholder could do if personally present hereby, ratifying and confirming that the Equityholders' Representative may do or cause to be done by virtue hereof and to make all determinations and elections hereunder and thereunder. This power of attorney is a special power of attorney coupled with an interest and is irrevocable, and shall survive the Closing and death, disability, legal incapacity, bankruptcy, insolvency, dissolution, or cessation of existence of any Equityholder.

(b) The Equityholders' Representative shall establish the Equityholders' Representative Expense Fund from the Merger Consideration with respect to the Equityholders based upon their Pro Rata Shares to fund potential expenses of the Equityholders' Representative in carrying out its authorized duties. To the fullest extent permitted by applicable Law, the Equityholders shall severally indemnify the Equityholders' Representative and hold it harmless against any loss, liability, claim, damage, fine, judgment, amount paid in settlement or expense incurred without gross negligence, willful misconduct or bad faith on the part of the Equityholders' Representative and arising out of or in connection with the acceptance or administration of its duties hereunder, including any out-of-pocket costs and expenses and legal fees and other legal costs reasonably and costs of counsel and other skilled professionals and in connection with seeking recovery from insurers incurred by the Equityholders' Representative. If not paid directly to the Equityholders' Representative by the Equityholders, such losses, liabilities or expenses may be recovered by the Equityholders' Representative from the Equityholders' Representative Expense Fund, pursuant to the terms hereof, at the time of distribution, and such recovery will be made from the Equityholders according to their respective Pro Rata Shares of the Merger Consideration. The Equityholders' Representative may engage attorneys, accountants, investment bankers, advisors, consultants and clerical personnel and obtain such other professional and expert assistance, and maintain such records, as the Equityholders' Representative may deem necessary or desirable and incur other out-of-pocket expenses related to performing its services hereunder and paid out of the Equityholders' Representative Expense Fund. The Equityholders' Representative may in good

faith rely conclusively upon information, reports, statements and opinions prepared or presented by such professionals, and any action taken by the Equityholders' Representative based on such reliance shall be deemed conclusively to have been taken in good faith. The Equityholders' Representative is not providing any investment supervision, recommendations or advice and shall have no responsibility or liability for any loss of principal of the Equityholders' Representative Expense Fund other than as a result of its gross negligence or willful misconduct. The Equityholders' Representative is not acting as a withholding agent or in any similar capacity in connection with the Equityholders' Representative Expense Fund and has no tax reporting or income distribution obligations. The Equityholders will not receive any interest on the Equityholders' Representative Expense Fund and assign to the Equityholders' Representative any such interest. The Equityholders' Representative may contribute funds to the Equityholders' Representative Expense Fund from any consideration otherwise distributable to the Equityholders. As soon as reasonably determined by the Equityholders' Representative that the Equityholders' Representative Expense Fund is no longer required to be withheld, the Equityholders' Representative shall release all remaining funds held with respect to the Equityholders' Representative Expense Fund (and not distributed or distributable to the Equityholders' Representative in accordance with this Section 5.16) to the Paying Agent for further distribution to the Equityholders in accordance with each such Equityholder's Pro Rata Share. No provision of this Agreement shall require the Equityholders' Representative to expend or risk its own funds or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges under this Agreement. Furthermore, the Equityholders' Representative shall not be required to take any action unless the Equityholders' Representative has been provided with funds, security or indemnities which, in its determination, are sufficient to protect the Equityholders' Representative against the costs, expenses and liabilities which may be incurred by the Equityholders' Representative in performing such actions.

(c) By the Equityholders' Representative's execution hereof, the Equityholders' Representative hereby accepts the appointment as such. The Equityholders' Representative may resign at any time in a writing delivered to the Equityholders. The Equityholders may, at any time, remove the Equityholders' Representative and appoint a substitute representative by written consent signed by the Equityholders (or, if applicable, their respective heirs, legal representatives, successors and assigns) representing a majority of the aggregate Fully Diluted Percentages. If the Equityholders' Representative is an individual and dies or becomes disabled or incapacitated, or if the Equityholders' Representative is an entity and files for bankruptcy, becomes insolvent or dissolves, or if the Equityholders' Representative, in either case, otherwise becomes unable to perform the Equityholders' Representative's responsibilities hereunder or resigns from such position, the Equityholders shall, by such written consent, appoint a substitute representative to fill such vacancy. Any such substitute representative shall be deemed to be the Equityholders' Representative for all purposes of this Agreement. Upon the selection of such substitute Equityholders' Representative, such substitute representative shall promptly notify Buyer and the Paying Agent in writing of such appointment, which written notice shall be accompanied by a copy of the written consent effecting such appointment.

(d) Each party shall be entitled to rely exclusively upon any communication given or other action taken by the Equityholders' Representative on behalf of the Equityholders pursuant to this Agreement or the other Transaction Documents

Section 5.17 D&O Matters.

(a) Indemnification. Buyer and Merger Sub agree that all rights to indemnification, advancement of expenses, and exculpation by the Company now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time an officer or director of the Company or any of its Subsidiaries (each an "**Indemnified Party**") as provided in the Certificate of Incorporation and Bylaws, in each case as in effect on the date of this Agreement, or pursuant to any other Contracts in effect on the date hereof and disclosed in Section 5.17(a) of the Company Disclosure Letter, shall be assumed by the Surviving Corporation in the Merger, without further action, at the Effective Time and shall survive the Merger and shall remain in full force and effect in accordance with their terms. For a period of six years from the Effective Time, the Surviving Corporation shall, and Buyer shall cause the Surviving Corporation to, maintain in effect the exculpation, indemnification, and advancement of expenses equivalent to the provisions of the Certificate of Incorporation and Bylaws as in effect immediately prior to the Effective Time with respect to acts or omissions by any Indemnified Party occurring prior to the Effective Time, and shall not amend, repeal, or otherwise modify any such provisions in any manner that would adversely affect the rights thereunder of any Indemnified Party; provided that all rights to indemnification in respect of any claim made for indemnification within such period shall continue until the disposition of such action or resolution of such claim.

(b) Insurance. The Surviving Corporation shall, and Buyer shall cause the Surviving Corporation to: (i) obtain as of the Effective Time "tail" insurance policies with a claims period of six years from the Effective Time with at least the same coverage and amounts and containing terms and conditions that are not less advantageous to the Indemnified Parties, in each case with respect to claims arising out of or relating to events which occurred before or at the Effective Time (including in connection with the transactions contemplated by this Agreement); provided, however, that in no event will the Surviving Corporation be required to expend an annual premium for such coverage in excess of 200% of the last annual premium paid by the Company or any of its Subsidiaries for such insurance prior to the date of this Agreement, which amount is set forth in Section 5.17(b) of the Company Disclosure Letter (the "**Maximum Premium**"). If such insurance coverage cannot be obtained at an annual premium equal to or less than the Maximum Premium, the Surviving Corporation will obtain, and Buyer will cause the Surviving Corporation to obtain, the greatest coverage available for a cost not exceeding an annual premium equal to the Maximum Premium.

(c) Survival. The obligations of Buyer, Merger Sub, and the Surviving Corporation under this Section 5.17 shall survive the consummation of the Merger and shall not be terminated or modified in such a manner as to adversely affect any Indemnified Party to whom this Section 5.17 applies without the consent of such affected Indemnified Party (it being expressly agreed that the Indemnified Parties to whom this Section 5.17 applies shall be third party beneficiaries of this Section 5.17, each of whom may enforce the provisions of this Section 5.17).

ARTICLE VI

CONDITIONS TO THE MERGER

Section 6.1 Conditions to the Obligations of Each Party. The respective obligations of each party hereto to consummate the Merger and the other transactions contemplated by this Agreement are subject to the satisfaction or (to the extent permitted by Law) waiver by the Company and Buyer, as the case may be, at or prior to the Effective Time of the following conditions:

(a) the Company shall have obtained the Company Stockholder Approval; and

(b) no Governmental Authority of competent jurisdiction shall have issued or entered any Order after the date of this Agreement, and no Law shall have been enacted or promulgated after the date of this Agreement, in each case, that is then in effect and has the effect of restraining, enjoining or otherwise prohibiting the consummation of the Merger or the other transactions contemplated by this Agreement.

Section 6.2 Conditions to the Obligations of Buyer and Merger Sub. The obligations of Buyer and Merger Sub to effect the Merger and the other transactions contemplated by this Agreement are subject to the satisfaction or (to the extent permitted by Law) waiver by Buyer at or prior to the Effective Time of the following additional conditions:

(a) (i) the representations and warranties of the Company contained in Section 3.1(a), Section 3.2(a), Section 3.2(d) and Section 3.2(b) shall be true and correct in all respects (except in the case of Section 3.2(a) and Section 3.2(d) for any *de minimis* inaccuracy) both as of the date of this Agreement and as of the Effective Time as if made at and as of such time (other than any such representation or warranty that is made as of a specified date, which representation or warranty shall be so true and correct as of such specified date), (ii) the representations and warranties of the Company contained in Section 3.3, Section 3.5(a)(i)(A), Section 3.24, and Section 3.25 (without giving effect to any materiality, Company Material Adverse Effect or similar qualifiers contained therein) shall be true and correct in all material respects both as of the date of this Agreement and as of the Effective Time as if made at and as of the Effective Time (other than any such representation or warranty that is made as of a specified date or time, which representation or warranty shall be so true and correct as of such specified date or time), and (iii) the other representations and warranties of the Company contained in ARTICLE III of this Agreement (without giving effect to any materiality, Company Material Adverse Effect or similar qualifiers contained therein) shall be true and correct both as of the date of this Agreement and as of the Effective Time as if made at and as of the Effective Time (other than any such representation or warranty that is made as of a specified date or time, which representation or warranty shall be so true and correct as of such specified date or time), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Company Material Adverse Effect;

(b) the Company shall have performed or complied in all material respects with its covenants and agreements contained in this Agreement to be performed or complied with on or prior to the Effective Time;

(c) since the date of this Agreement, there shall not have been any effect, change, development, event, circumstance, occurrence, condition, fact or state of facts that has had, individually or in the aggregate, a Company Material Adverse Effect;

(d) any and all consents, waivers, approvals, authorizations and notices that are set forth on Schedule 6.2(d) shall have been obtained or delivered on terms that do not impose any material Liabilities on Buyer or Merger Sub or any other material obligations of Buyer following the Closing (other than obligations on the Company and its Subsidiaries that are substantially the same as the obligations that applied to such companies prior to the Closing);

(e) the Closing Indebtedness will not be greater than $13.3 million;

(f) the 2022 Audited Financial Statements will have been delivered to Buyer and will not contain results that are materially and adversely different from the results presented in the 2022 Unaudited Financial Statements referred to in Section 3.6(b). The term "material and adversely" as used hereby will include, without limitation, (i) any greater than 10% decrease to "total current assets", (ii) any greater than 10% increase to "total liabilities" or greater than 10% decrease to "total liabilities and stockholders' equity" (exclusive of the impact of the "income tax provision"), (iii) any greater than 10% decrease in "net revenues" or "gross profit", or (iv) any greater than 10% increase in "operating expenses", defined as "selling, general and administrative expenses" plus "engineering and development expenses". It is further understood that changes in any of the items (i) – (iv) listed above, that exceed the threshold negatively may be offset by a positive change in a related category such that the overall result is not a material and adverse change.

(g) the Company will have entered into the Executive Officer Retention Agreements with the respective executive officers of the Company prior to or concurrent with Closing;

(h) the number of Dissenting Shares held by Dissenting Shareholders will not exceed 5% of the Total Stock;

(i) if either Company or Buyer proceed with a Declaration or a Notice under Section 5.3(b) or if the filing of a Notice is completed under Section 5.3(b) pursuant to a request of CFIUS, CFIUS Approval shall have been obtained; and

(j) Buyer shall have received a certificate signed by an executive officer of the Company certifying as to the matters set forth in Section 6.2(a), •, and •.

Section 6.3 Conditions to the Obligations of the Company. The obligations of the Company to effect the Merger and the other transactions contemplated by this Agreement is subject to the satisfaction or (to the extent permitted by Law) waiver by the Company at or prior to the Effective Time of the following additional conditions:

(a) (i) the representations and warranties of Buyer and Merger Sub contained in Section 4.1, Section 4.2, Section 4.3(a)(i), and Section 4.5 (without giving effect to any materiality, Buyer Material Adverse Effect or similar qualifiers contained therein) shall be true and correct in all material respects both as of the date of this Agreement and as of the Effective Time as if made at and as of the

Effective Time (other than any such representation or warranty that is made as of a specified date or time, which representation or warranty shall be so true and correct as of such specified date or time) and (ii) each of the other representations and warranties of Buyer and Merger Sub contained in ARTICLE IV of this Agreement (without giving effect to any materiality, Buyer Material Adverse Effect or similar qualifiers contained therein) shall be true and correct both as of the date of this Agreement and as of the Effective Time as though made on and as of the Effective Time (other than any such representation or warranty that is made as of a specified date, which representation or warranty shall be so true and correct as of such specified date), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Buyer Material Adverse Effect;

(b) Buyer and Merger Sub shall have performed or complied in all material respects with each of their respective covenants and agreements contained in this Agreement to be performed or complied with by it on or prior to the Effective Time;

(c) Buyer shall have delivered to Existing Lender cash in an amount sufficient to pay off the loan outstanding under the Existing Credit Agreement, by wire transfer in immediately available funds in accordance with an agreed arrangement between Bank of Korea, Korea Industrial Bank, Buyer, the Company and Existing Lender; and

(d) the Company shall have received a certificate signed by an executive officer of Buyer certifying that the conditions set forth in Section 6.3(a) and • have been satisfied.

Section 6.4 Frustration of Closing Conditions. Neither Buyer or Merger Sub, on the one hand, nor the Company, on the other hand, may rely on the failure of any condition set forth in Section 6.1, Section 6.2 or Section 6.3, as the case may be, to be satisfied to excuse it from its obligation to effect the Merger if such failure was caused by such party's failure to comply with its obligations to consummate the Merger and the other transactions contemplated by this Agreement to the extent required by this Agreement.

ARTICLE VII

TERMINATION, AMENDMENT AND WAIVER

Section 7.1 Termination. Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated at any time prior to the Effective Time, whether before or after the Company Stockholder Approval is obtained (except as otherwise expressly noted), as follows:

(a) by mutual written consent of each of Buyer and the Company; or

(b) by either Buyer or the Company:

(i) if the Merger shall not have been consummated on or before 5:00 P.M. (New York City time) (i) on June 23, 2023 (the "**Termination Date**"); provided that such Termination Date shall be extended to September 23, 2023 if the Merger has not closed as a result of the CFIUS matters described under Section 5.3(b) having not been completed; provided, however, that the right to terminate this

Agreement pursuant to this Section 7.1(b)(i) shall not be available to any party where the breach of or the failure to fulfill, perform or comply with any of its obligations under this Agreement in any material respect, has been the principal cause of, or principally resulted in, the failure of the Closing to have occurred on or before the Termination Date;

(ii) if any Governmental Authority of competent jurisdiction shall have issued or entered any Order after the date of this Agreement or any Law shall have been enacted or promulgated after the date of this Agreement that has the effect of permanently restraining, enjoining or otherwise prohibiting the Merger or other transactions contemplated by this Agreement, and in the case of such an Order, such Order shall have become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 7.1(b)(i) shall not be available to a party where the breach of or failure to fulfill, perform or comply with any of its obligations under this Agreement, in any material respect, has been the principal cause of, or principally resulted in, the issuance of such Order; or

(iii) if the Company Stockholder Approval shall not have been obtained in accordance with the Certificate of Incorporation and DGCL, whether (to the extent permitted) by written consent or at a duly convened Company Stockholders' Meeting, or at any adjournment or postponement thereof, at which a vote on the adoption of this Agreement was taken; or

(c) by the Company:

(i) if Buyer or Merger Sub shall have breached or failed to perform any of their respective representations, warranties, covenants or other agreements set forth in this Agreement, which breach or failure to perform (A) would result in the failure of a condition set forth in Section 6.3 and (B) is not capable of being cured by Buyer or Merger Sub, as applicable, by the Termination Date, or, if capable of being cured, shall not have been cured by Buyer or Merger Sub on or before the earlier of (1) the Termination Date and (2) the date that is thirty (30) calendar days following the Company's delivery of written notice to Buyer of such breach or failure to perform; provided, however, that the Company shall not have the right to terminate this Agreement pursuant to this • if it is then in material breach of any of its representations, warranties, covenants or agreements under this Agreement so as to result in the failure of a condition set forth in Section 6.2(a) or •; or

(ii) at any time prior to the time at which the Company receives the Company Stockholder Approval, if the Company Board determines to enter into a definitive Acquisition Agreement with respect to a Superior Proposal in accordance with Section 5.5(f), provided that, (i) the Company shall have complied with Section 5.5(f), and (ii) prior to or substantially concurrently with, and as a condition to the effectiveness of such termination, the Company pays to the Buyer the Termination Fee pursuant to Section 7.4(b).

(d) by Buyer:

(i) if the Company shall have breached or failed to perform any of its representations, warranties, covenants or other agreements set forth in this Agreement, which breach or failure to perform (A) would result in the failure of a condition set forth in Section 6.3(a) or •, and (B) is not capable of being cured by the Company by the Termination Date or, if capable of being cured, shall not have been cured by the Company on or before the earlier of (1) the Termination Date and (2) the date that is thirty (30)

calendar days following Buyer's delivery of written notice to the Company of such breach or failure to perform; provided, however, that Buyer shall not have the right to terminate this Agreement pursuant to this • if Buyer or Merger Sub is then in material breach of any of its representations, warranties, covenants or agreements under this Agreement so as to result in the failure of a condition set forth in Section 6.3(a) or •; or

(ii) on or prior to the date of the Company Stockholders' Meeting, if (A) the Company Board shall have made a Company Adverse Recommendation Change pursuant to Section 5.5(f) or Section 5.5(g), or (B) the Company or the Company Board, as applicable, shall have materially breached any of its obligations under Section 5.5.

Section 7.2 Effect of Termination. In the event that this Agreement is terminated and the Merger abandoned pursuant to Section 7.1, written notice thereof shall be given by the terminating party to the other party, specifying the provisions hereof pursuant to which such termination is made, and this Agreement shall forthwith become null and void and of no effect without liability on the part of any party hereto, and all rights and obligations of any party hereto shall cease; provided, however, that no such termination shall relieve (a) any party hereto of any liability or damages resulting from any material and intentional breach of this Agreement or Fraud or (b) Buyer or Merger Sub of any liability or damages resulting from not having, for any reason, sufficient cash available on the date that the Closing is required to occur pursuant to Section 1.2 hereof to consummate the transactions contemplated hereby in accordance with the terms of this Agreement, in which case, the aggrieved party shall be entitled to all remedies available at law or in equity; and provided, further, however, that the Confidentiality Agreement, this Section 7.2, Section 7.5, and ARTICLE VII shall survive any termination of this Agreement pursuant to Section 7.1. For purposes of this Agreement, "material and intentional breach" shall mean an action or omission taken or omitted to be taken that the breaching party intentionally takes (or fails to take) and knows would, or knows would reasonably be expected to, cause a material breach of this Agreement.

Section 7.3 Expenses. Subject to Section 7.4, all Expenses incurred in connection with this Agreement, the Transactions, the solicitation of stockholder approvals and all other matters related to the closing of the Merger shall be paid by the party incurring such Expenses, whether or not the Merger or any other Transaction is consummated, except as otherwise set forth in this Agreement.

Section 7.4 Termination Fee and Expense Reimbursement. If this Agreement shall be validly terminated:

(a) by the Buyer pursuant to Section 7.1(d)(ii) (*Termination following Company Adverse Recommendation Change*), then the Company shall pay to Buyer or its designee the Termination Fee, which payment shall be made by wire transfer of immediately available funds within two (2) Business Days after the termination of this Agreement;

(b) by the Company pursuant to Section 7.1(c)(ii) (*Termination with Respect to Superior Proposal*), then the Company shall pay to Buyer or its designee the Termination Fee, which payment shall be made by wire transfer of immediately available funds prior to or substantially concurrently with the termination of this Agreement;

(c) by (x) the Buyer or the Company pursuant to Section 7.1(b)(iii) (*Failure to Obtain Company Stockholder Approval*) or (y) by the Buyer pursuant to Section 7.1(d)(i) (*Breach or Failure to Perform by Company*), then, if (A) prior to the time of termination on the Termination Date, an Acquisition Proposal shall have been publicly announced, disclosed or otherwise made public that remains outstanding and not publicly withdrawn as of, in the case of clause (x), the date of the Company Stockholders' Meeting, and in the case of clause (y), the Termination Date and (B) within twelve (12) months of the Termination Date the Company enters into, or submits to the stockholders of the Company for adoption, a binding written definitive agreement providing for the consummation of an Acquisition Proposal (a "**Specified Acquisition Agreement**") or consummates an transaction pursuant to an Acquisition Proposal (an "**Acquisition Transaction**"), then the Company shall pay to Buyer or its designee an amount equal to the Termination Fee (net of any Expense Reimbursement previously paid), which payment shall be made by wire transfer of immediately available funds within two (2) Business Days following the earliest to occur of the entry by the Company into that Specified Acquisition Agreement, the submission of that Specified Acquisition Agreement to the stockholders of the Company for adoption or the consummation by the Company of that Acquisition Transaction, in each case, as referred to in clause (B) of this Section 7.4;

(d) by either the Company or Buyer pursuant to Section 7.1(b)(iii) (*Failure to Obtain Company Stockholder Approval*), the Company shall pay to Buyer, by wire transfer of immediately available funds to an account designated in writing by Buyer, all of the reasonable and documented out-of-pocket expenses, including those of the Paying Agent, incurred by Buyer and Merger Sub in connection with this Agreement and the other transactions contemplated by this Agreement, in an amount not to exceed $300,000 (the "**Expense Reimbursement**"), within two (2) Business Days after the date following such termination. To the extent any portion of the Expense Reimbursement is paid by the Company to Buyer, such amount paid shall be deducted from the amount of any Termination Fee owed or that becomes payable.

The right of Buyer or its designees to payment of the Termination Fee or payment of any Expense Reimbursement by the Company shall, subject always to Section 7.2, be the sole and exclusive remedy of Buyer, Merger Sub or any of their respective Affiliates (collectively, the "**Buyer Related Parties**") for, any and all losses suffered by the Buyer in connection with this Agreement (including the termination hereof), the Transaction or any matter forming the basis for the termination hereof, and to the extent the Termination Fee and any payments required to be paid by the Company under this Section 7.4 are paid, upon such payment in accordance with this Section 7.4, the Company shall not have any further liability or obligation relating to or arising out of this Agreement (or the termination hereof) or the Transaction or any matter forming the basis for the termination hereof, except as set forth in Section 7.2.

The Parties hereto acknowledge and agree that the agreements contained in this Section 7.4 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the parties hereto would not enter into this Agreement. Accordingly, if the Company fails to pay when due any amount pursuant to this Section 7.4, then the Company shall also (i) reimburse the Buyer for all reasonable, out-of-pocket costs and expenses (including attorneys' fees and expenses) incurred in connection with the collection of such overdue amount and the enforcement by such other party of its rights under this Section 7.4, and (ii) pay to the Buyer interest on such overdue amount from the date such payment was required to be made until the date of payment at the prime lending rate as published

in the *Wall Street Journal* in effect on the date such payment was required to be made. In no event shall the Company be required to pay the Termination Fee in connection with the termination of this Agreement or the Transactions more than once.

In addition, each of the Parties acknowledges that any amounts payable by the Company pursuant to this Section 7.4, including the Termination Fee, shall constitute a penalty, but rather shall constitute liquidated damages in a reasonable amount that will compensate a party for the disposition of its rights under this Agreement in the circumstances in which such amounts are due and payable, which amounts would otherwise be impossible to calculate with precision.

Section 7.5 Amendment. This Agreement may be amended by mutual agreement of the parties hereto in writing at any time before the Closing Date, whether before or after receipt of the Company Stockholder Approval; provided, however, that after the Company Stockholder Approval has been obtained, no amendment may be made that either by applicable Law or pursuant to the applicable rules of any applicable stock exchange requires further approval by the stockholders of the Company without such further approval of such stockholders having been obtained.

Section 7.6 Extension; Waiver. At any time prior to the Effective Time, subject to applicable Law, any party hereto may (a) extend the time for the performance of any obligation or other act of any other party hereto, (b) waive any inaccuracy in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto and (c) waive compliance by any other party hereto with any agreement or condition of such party contained herein. Any such extension or waiver shall only be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby. Notwithstanding the foregoing, no failure or delay by the Company, Buyer or Merger Sub in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 Non-Survival of Representations and Warranties; Exclusive Remedy. The representations and warranties in this Agreement and any certificate delivered pursuant hereto by any Person shall terminate at the Effective Time, and only the covenants that by their terms survive the Effective Time shall so survive the Effective Time in accordance with their respective terms. From and after the Effective Date, the Equityholders shall have no obligation for indemnification hereunder or other liability to Buyer or any other Person under this Agreement or otherwise in connection with the transactions contemplated hereby, including without limitation, with respect to any claim for breach of any representation or warranty contained in this Agreement or other agreement or instrument delivered by the Equityholders at the Closing, except and only in the case of that Equityholder’s own Fraud.

Section 8.2 Expenses. Except as expressly set forth herein (including Section 7.5 and Section 7.4), all fees, costs and expenses (including all legal, accounting, broker, finder or investment banker fees) incurred in connection with this Agreement and the transactions contemplated by this

Agreement shall be paid by the party incurring such expenses, whether or not the Merger and the transactions contemplated by this Agreement are consummated.

Section 8.3 Notices. All notices, consents and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by hand delivery, by prepaid overnight courier (providing written proof of delivery) or by confirmed electronic mail, addressed as follows:

if to Buyer or Merger Sub:

IDIS CO., Ltd.
8-10, Techno 3-ro, Yuseong-Gu, Daejon, South Korea
Attention: Mr. Gwangmin Chae
Email: gmchae@idis.co.kr

with a copy (which shall not constitute notice) to:

McMillan LLP
1055 West Georgia Street, Suite 1500
Vancouver, BC V6E 4N7
Attention: Michael Taylor
Email: michael.taylor@mcmillan.ca

if to the Company:

Costar Technologies, Inc.
101 Wrangler Drive, Suite 201
Coppell, TX 75019

Attention: Chief Executive Officer
E-mail: sswitzer@costar-tech.com

with a copy (which shall not constitute notice) to:

DLA Piper LLP (US)
4365 Executive Drive, Suite 1100
San Diego, CA 92121
Attention: Matt Leivo
Email: matt.leivo@us.dlapiper.com

if to any of the Equityholders, the Equityholders' Representative or the Company (with respect to the Company, prior to Closing):

Alan B. Howe
10755 Scripps Poway Pkwy, #302

San Diego, CA 92131
Email: ahowe@bbi-llc.com

or to such other address or electronic mail address for a party as shall be specified in a notice given in accordance with this Section 8.3; provided, however, that any notice received by electronic mail or otherwise at the addressee's location on any Business Day after 5:00 P.M. (addressee's local time) or on any day that is not a Business Day shall be deemed to have been received at 9:00 A.M. (addressee's local time) on the next Business Day; provided, further, however, that notice of any change to the address or any of the other details specified in or pursuant to this Section 8.3 shall not be deemed to have been received until, and shall be deemed to have been received upon, the later of the date specified in such notice or the date that is five (5) Business Days after such notice would otherwise be deemed to have been received pursuant to this Section 8.3.

Section 8.4 Interpretation; Certain Definitions.

(a) The parties hereto have participated collectively in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted collectively by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

(b) The words "hereof," "herein," "hereby," "hereunder" and "herewith" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to articles, sections, paragraphs, exhibits, annexes and schedules are to the articles, sections and paragraphs of, and exhibits, annexes and schedules to, this Agreement, unless otherwise specified, and the table of contents and headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the phrase "without limitation." Words describing the singular number shall be deemed to include the plural and vice versa, words denoting any gender shall be deemed to include all genders, words denoting natural persons shall be deemed to include business entities and vice versa, and references to a Person are also to its permitted successors and assigns. The term "or" is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if." The phrases "the date of this Agreement" and "the date hereof" and terms or phrases of similar import shall be deemed to refer to March 23, 2023, unless the context requires otherwise. References to any information or document being "made available" or "furnished" and words of similar import shall include such information or document having been posted to the "Project Topaz" online data room hosted on behalf of the Company by Intralinks Inc. by 11:59 pm New York City time on the day prior to the date of this Agreement. Terms defined in the text of this Agreement have such meaning throughout this Agreement, unless otherwise indicated in this Agreement, and all terms defined in this Agreement shall have the meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. Any Law defined or referred to herein or in any agreement or instrument that is referred to herein means such Law as from time to time amended, modified or supplemented, including (in the case of statutes) by succession of comparable successor Laws (provided, however, that for purposes of any representations and warranties contained in this Agreement that are made as of a specific date or dates, references to any statute shall be deemed to refer to such

statute, as amended, and to any rules or regulations promulgated thereunder, in each case, as of such date). All references to "dollars" or "$" refer to currency of the United States.

Section 8.5 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, all other terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the Merger be consummated as originally contemplated to the fullest extent possible.

Section 8.6 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other parties hereto, except that Merger Sub may assign any or all of its rights, interests and obligations hereunder to (a) one or more direct or indirect wholly owned Subsidiaries of Buyer, or a combination thereof, so long as such assignment would not have a Buyer Material Adverse Effect and no such assignment shall release Buyer or Merger Sub, as the case may be, from any of its obligations hereunder and (b) as collateral security to any lenders or financing sources (as agent or trustee therefor) to Buyer or its Affiliates in connection with any bona fide financing arrangement (but no such assignment shall release Buyer or Merger Sub, as the case may be, from any of its obligations hereunder). Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective permitted successors and assigns. Any attempted assignment in violation of this Section 8.6 shall be null and void.

Section 8.7 Entire Agreement. This Agreement (including the exhibits, annexes and appendices hereto) constitutes, together with other Transaction Documents, the Voting and Support Agreement, the Confidentiality Agreement and the Company Disclosure Letter, the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties hereto, or any of them, with respect to the subject matter hereof.

Section 8.8 No Third-Party Beneficiaries. This Agreement is not intended to and shall not confer upon any Person other than the parties hereto any rights or remedies hereunder; provided, however, that it is specifically intended that from and after the Effective Time, (i) the holders of Company Common Stock and Company Options are intended third-party beneficiaries of Article II and (ii) the Indemnified Parties are intended third-party beneficiaries of Section 5.17.

Section 8.9 Governing Law. This Agreement and all Proceedings (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Buyer, Merger Sub or the Company in the negotiation, administration, performance and enforcement thereof, shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without giving effect to any choice or conflict of laws provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

Section 8.10 Specific Performance. The parties hereto agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy would occur in the event that any party hereto does not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder to consummate this Agreement) in accordance with its specified terms or otherwise breaches such provisions. Accordingly, the parties hereto acknowledge and agree that, prior to any valid termination of this Agreement in accordance with Section 7.1, in the event of any breach or threatened breach by the Company, on the one hand, or Buyer or Merger Sub, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Company, on the one hand, and Buyer and Merger Sub, on the other hand, shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereto agrees that, prior to any valid termination of this Agreement in accordance with Section 7.1, it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. Any party hereto seeking an injunction or injunctions to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide, furnish or post any bond or other security in connection with any such order or injunction, and each party hereby irrevocably waives any right it may have to require the provision, furnishing or posting of any such bond or other security.

Section 8.11 Consent to Jurisdiction.

(a) Each of the parties hereto hereby, with respect to any legal claim or Proceeding arising out of this Agreement or the transactions contemplated by this Agreement, (i) expressly and irrevocably submits, for itself and with respect to its property, generally and unconditionally, to the exclusive jurisdiction of the Delaware Court of Chancery and any appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such courts, (iii) agrees that it will not bring any claim or Proceeding relating to this Agreement or the transactions contemplated by this Agreement except in such courts and (iv) irrevocably waives, to the fullest extent it may legally and effectively do so, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, any objection which it may now or hereafter have to the laying of venue of any claim or Proceeding arising out of or relating to this Agreement. Notwithstanding the foregoing, each of Buyer, Merger Sub and the Company agrees that a final and nonappealable judgment in any Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each party hereto irrevocably consents to the service of process in any claim or Proceeding with respect to this Agreement and the transactions contemplated by this Agreement or for recognition and enforcement of any judgment in respect hereof brought by any other party hereto made by mailing copies thereof by registered or certified United States mail, postage prepaid, return receipt requested, to its address as specified in or pursuant to Section 8.3, and such service of process shall be sufficient to confer personal jurisdiction over such party in such claim or Proceeding and shall otherwise constitute effective and binding service in every respect.

Section 8.12 Counterparts. This Agreement may be executed in multiple counterparts, all of which shall together be considered one and the same agreement. Delivery of an executed signature page to this Agreement by electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 8.13 WAIVER OF JURY TRIAL. **EACH OF BUYER, MERGER SUB AND THE COMPANY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN ANY OF THEM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF BUYER, MERGER SUB OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.**

Section 8.14 Definitions.

(a) As used in this Agreement, the following terms shall have the following meanings:

"**Acceptable Confidentiality Agreement**" means a confidentiality and standstill agreement that contains confidentiality and standstill provisions that are no less favorable in all material respects to the Company than those contained in the Confidentiality Agreement.

"**Affiliate**" shall mean, with respect to any Person, any individual, partnership, corporation, entity or other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the first Person specified.

"**Business Day**" shall mean any day other than a Saturday, Sunday or a day on which all banking institutions in New York, New York are authorized or obligated by Law or executive order to close.

"**Buyer Common Stock**" shall mean the common stock, par value $0.001 per share, of Buyer.

"**Buyer Organizational Documents**" shall mean the certificate of incorporation, articles of association, (board or supervisory board) regulations, by-laws, articles of organization, trust conditions, operating agreement, certificate of formation or similar governing documents of each of Buyer and Merger Sub.

"**CAA**" means the Consolidated Appropriations Act, 2021.

"**CFIUS**" means the Committee on Foreign Investment in the United States

"**CFIUS Approval**" means that (i) in response to the filing of a Declaration with CFIUS by the parties (A) the Company has received written notice from CFIUS that CFIUS has concluded all action under the U.S. Defense Production Act of 1950, as amended (the "DPA") with respect to the Merger, or (B) CFIUS informs the Company that CFIUS is not able to complete action under Section 721 of the DPA with respect to the Merger on the basis of such Declaration and that the parties may file a written Notice under 31 C.F.R. Part 800, unless the Company and Buyer have agreed in writing to prepare and file a notice with CFIUS; or (ii) in response to the filing of such a Notice by the parties, the Company has received

written notice from CFIUS stating that (A) CFIUS has determined that the Merger is not a "covered transaction" subject to review under Section 721 of the DPA or (B) the review and/or investigation of the Merger under the DPA has been concluded and that CFIUS has determined that there are no unresolved national security concerns with respect to the Merger; or (iii) CFIUS has sent a report to the President of the United States requesting the President's decision on the Merger and either (A) the period under the DPA during which the President may announce his decision to take action to suspend, prohibit or place any limitations on the Merger has expired without any such action being threatened, announced or taken or (B) the President has announced a decision not to take any action to suspend, prohibit or place any limitations on the Merger.

"**Closing Common Per Share Amount**" means the quotient obtained by *dividing* (a) the Closing Merger Consideration, *by* (b) the Total Stock.

"**Closing Indebtedness**" shall mean the amount of the Indebtedness to be outstanding as of Closing, as reflected in the final Closing Statement, which Closing Indebtedness will principally be comprised of amounts owing to the Existing Lender under the Existing Credit Agreement.

"**Closing Merger Consideration**" means

(a) the Target Merger Consideration;

i. *minus* the Transaction Expenses;

(b) *minus* the Transaction Payments;

ii. *plus* the Working Capital Adjustment Amount if the Closing Net Working Capital is greater than the Target Net Working Capital or minus the Working Capital Adjustment Amount if the Closing Net Working Capital is less than the Target Net Working Capital;

(c) *plus* the Indebtedness Adjustment Amount if the Closing Indebtedness is less than the Target Indebtedness or minus the Indebtedness Adjustment Amount if the Closing Indebtedness if greater than the Target Indebtedness; and

iii. *minus* the amount of Equityholders' Representative Expense Fund.

"**Closing Net Working Capital**" means the amount of the Net Working Capital to be outstanding as of Closing, as reflected in the final Closing Statement.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended.

"**Company Acquisition Proposal**" shall mean any *bona fide* proposal or offer (whether or not in writing) from any Person (other than Buyer or any of its Subsidiaries) relating to, or that would reasonably be expected to lead to (in one transaction or a series of transactions), any (a) merger, consolidation, share exchange, business combination, recapitalization, reorganization, dissolution, liquidation, joint venture or similar transaction involving the Company or any Subsidiary of the Company, pursuant to which any Person or group of related Persons would beneficially own or control, directly or

indirectly, fifteen percent (15%) or more (on a non-diluted basis) of any class of equity or voting Securities of the Company or any resulting parent company of the Company, (b) sale, lease, license or other disposition, directly or indirectly, of assets of the Company (including capital stock or other equity interests of any of its Subsidiaries) or any Subsidiary of the Company, in each case, representing in the aggregate fifteen percent (15%) or more of the consolidated assets, net revenues or net income of the Company and its Subsidiaries taken as a whole, (c) issuance or sale or other disposition of capital stock or other equity interests representing fifteen percent (15%) or more (on a non-diluted basis) of any class of equity or voting Securities of the Company, (d) tender offer, exchange offer or any other transaction or series of transactions that, if consummated, would result in any Person or group of related Persons, directly or indirectly, beneficially owning or having the right to acquire beneficial ownership of capital stock or other equity interests representing fifteen percent (15%) or more (on a non-diluted basis) of any class of equity or voting Securities of the Company or (e) a combination of the foregoing. Whenever the term "group" is used in this Agreement, it shall have the definition set forth in Rule 13d-3 of the Exchange Act.

"Company Common Stock" shall mean the common stock of the Company, par value $0.001 per share.

"**Company Disclosure Letter**" shall mean the disclosure letter delivered by the Company to Buyer and Merger Sub simultaneously with the execution of this Agreement.

"**Company Equity Plans**" shall mean, collectively: the Company's 2000 Stock Option and Incentive Plan and 2014 Omnibus Performance Award Plan, as amended from time to time.

"**Company Intellectual Property**" shall mean (a) any and all Intellectual Property owned by, or purported to be owned by, the Company or any of its Subsidiaries and (b) any and all Intellectual Property licensed to the Company or any of its Subsidiaries, in each case of (a) and (b), whether registered or unregistered.

"**Company Licensed IP**" shall mean all Company Intellectual Property that is licensed to the Company or any of its Subsidiaries, whether registered or unregistered.

"**Company Material Adverse Effect**" shall mean any effect, change, development, event, circumstance, occurrence, condition, fact or state of facts that has a material adverse effect, individually or in the aggregate, (a) on the business, condition (financial or otherwise) or results of operations of the Company and its Subsidiaries, taken as a whole, or (b) on the ability of the Company to perform its obligations under this Agreement or to consummate the Merger and the other transactions contemplated by this Agreement; provided, however, that in each case, any effect, change, development, event, circumstance, occurrence, condition or state of facts directly resulting from, attributable to or arising out of the following will not be taken into account in determining whether a Company Material Adverse Effect has occurred: (i) changes in general United States or other national, regional or global economic, regulatory, legislative, credit, capital market or financial market conditions; (ii) changes in the economic, business and financial environment generally affecting the industry, in which the Company and its Subsidiaries operate; (iii) any change in the Company's trading volume or stock price, (iv) in and of itself, any failure by the Company to meet any revenue, earnings or other similar projections (it being

understood that the underlying effect, change, development, event, circumstance, occurrence, condition, fact or state of facts giving rise to or contributing to such change or failure may be taken into account in determining whether there has been a Company Material Adverse Effect to the extent not otherwise excluded by another exception herein); (v) an act of terrorism or sabotage or an outbreak or escalation of hostilities or war (whether or not declared) or any natural disasters, national emergencies or other force majeure events, including any escalation or worsening of such conditions threatened or existing as of the date of this Agreement; (vi) adoption, implementation, enforcement, promulgation, repeal, modification, amendment interpretation or other changes in applicable Law or GAAP or any regulatory environment or regulatory enforcement environment; (vii) the execution, public announcement or pendency of this Agreement and the anticipated consummation of the Merger or the other transactions contemplated hereby, including (A) the identity of Buyer or the announcement by Buyer or any of its Affiliates of its or their plans or intentions with respect to the Company, (B) any departure or termination of any officers, directors, employees or independent contractors of the Company or any of its Subsidiaries or (C) the termination or potential termination of (or the failure or potential failure to renew or enter into) any Contracts with, or any other adverse development (or potential adverse development) in the Company's relationships with any of its customers, suppliers, distributors, partners or other business relationships of the Company, or any litigation arising from allegations of any breach of fiduciary duty or violation of Law relating to the Merger or this Agreement; (viii) any action expressly required to be taken pursuant to this Agreement; (ix) pandemics, epidemics, disease outbreaks, and other public health emergencies, including the COVID-19 outbreak, and any actions taken in good faith by the Company in connection therewith; or (x) any action taken at the express written direction of Buyer given after the date hereof, provided that if the exceptions set forth in subclauses (i), (ii), or (vi) have a disproportionate impact on the Company and its Subsidiaries, taken as a whole, compared to other companies that operate in the industries or geographies in which the Company and its Subsidiaries operates, then such effects, changes, developments or occurrences may be taken into account in determining whether a Company Material Adverse Effect has occurred solely to the extent of such disproportionate impact.

"**Company Option**" shall mean each option to purchase shares of Company Common Stock, including any such option granted pursuant to a Company Equity Plan.

"**Company Owned IP**" shall mean all Intellectual Property that is owned or purported to be owned by the Company or any of its Subsidiaries, whether registered or unregistered.

"**Company Recommendation**" shall mean the recommendation of the Company Board that the stockholders of the Company adopt this Agreement and approve the transactions contemplated by this Agreement, including the Merger.

"**Company Registered IP**" shall mean all Company Owned IP that has been registered, filed, certified or otherwise perfected or recorded with or by any Governmental Authority or domain name registrar, including the United States Patent and Trademark Office, the United States Copyright Office, or in any like foreign or international office or agency, or any applications for any of the foregoing.

"Company Stock" shall mean, collectively, Company Common Stock and Company Preferred Stock.

"**Confidentiality Agreement**" shall mean that certain Confidentiality Agreement, dated September 14, 2022, between the Company and Buyer.

"**Contract**" shall mean, in each case, whether written or oral, any legally binding contract, agreement, assignment, subcontract, binding arrangement, lease, sublease, conditional sales contract, purchase order, sales order, license, indenture, note, bond, loan, understanding, undertaking, permit, concession, franchise, commitment, partnership, limited liability company or other agreement or other binding instrument.

"**Control**" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting Securities or partnership or other interests, by Contract or otherwise. For purposes of this definition, a general partner or managing member of a Person shall always be considered to Control such Person. The terms "**Controlling**" and "**Controlled**" shall have correlative meanings.

"**Copyrights**" shall mean all rights in copyrightable works, mask works, works of authorship and moral rights, including copyrights in Software, and all other rights corresponding thereto throughout the world, whether published or unpublished, and any registrations or applications for any of the foregoing, including renewals and extensions.

"**COVID-19**" means SARS-CoV-2 or COVID-19, and any evolutions or other mutations thereof.

"**COVID Related Deferrals**" means any Liabilities, including Tax Liabilities, or other amounts for or allocable to any taxable period (or portion thereof) ending on or prior to the Closing Date, the payment of which is deferred, on or prior to the Closing Date, to a taxable period (or portion thereof) beginning after the Closing Date pursuant to the CARES Act, the CAA or any other Law related to COVID-19 or executive order or Presidential Memorandum (including the Presidential Memorandum described in IRS Notice 2020-65) related to COVID-19.

"**Customs & International Trade Authorizations**" shall mean any and all licenses, registrations, and approvals required pursuant to the Customs & International Trade Laws for the lawful export, re-export, transfer or import of goods, software, technology, technical data, and services and international financial transactions.

"**Customs & International Trade Laws**" shall mean the applicable export control, sanctions, import, customs and trade, anti-bribery, and anti-boycott Laws of any jurisdiction in which the Company or any of its Subsidiaries is incorporated or does business, including the UK Bribery Act 2010, the Tariff Act of 1930, as amended, and other Laws, regulations, and programs administered or enforced by the U.S. Department of Commerce, U.S. International Trade Commission, U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, and their predecessor agencies; the Export Control Reform Act of 2018; the Export Administration Regulations, including related restrictions with regard to transactions involving Persons on the U.S. Department of Commerce Denied Persons List, Unverified List or Entity List; the Arms Export Control Act, as amended; the International Traffic in Arms Regulations, including related restrictions with regard to transactions involving Persons on the Debarred

List; the International Emergency Economic Powers Act, as amended; the Trading With the Enemy Act, as amended; the Iran Sanctions Act, as amended; the National Defense Authorization Act for Fiscal Years 2012 - 2018; and the embargoes and restrictions administered by OFAC; Executive Orders regarding embargoes and restrictions on transactions with designated countries and entities, including Persons designated on OFAC's list of Specially Designated Nationals and Blocked Persons, and Persons designated on the U.S. Department of State sanctions lists; the anti-boycott Laws and regulations administered by the U.S. Department of Commerce; and the anti-boycott Laws and regulations administered by the U.S. Department of the Treasury.

"**Delaware Secretary of State**" shall mean the Secretary of State of the State of Delaware.

"**Designated Deferred Taxes**" means any (i) "applicable employment taxes" (as defined in Section 2302(d)(1) of the CARES Act the payment of which the Company or any of its Subsidiaries has elected to defer and any other Taxes the payment of which the Company or any of its Subsidiaries has elected to defer under any other Law arising out of or in response to COVID-19 and (ii) Taxes the payment of which the Company or any of its Subsidiaries has elected to defer under Section 965 of the Code.

"**Environmental Laws**" shall mean all applicable and legally enforceable Laws relating to pollution or protection of the environment, natural resources, or human health and safety (concerning exposure to Hazardous Materials), including Laws relating to Releases of or exposure to Hazardous Materials and the manufacture, processing, distribution, use, treatment, storage, Release, transport or handling of Hazardous Materials, including the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.), the Safe Drinking Water Act (42 U.S.C. § 3000(f) et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. § 2701 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Endangered Species Act of 1973 (16 U.S.C. § 1531 et seq.), and other similar foreign, state and local statutes, in effect as of the date of this Agreement.

"**Equityholder**" means any Stockholder or Optionholder (and "**Equityholders**" means all Stockholders and Optionholders).

"**Equityholders' Representative Expense Fund**" means an amount equal to $100,000.

"**ERISA Affiliate**" shall mean each trade or business, whether or not incorporated, that, together with the Company or any of its Subsidiaries, would be deemed a "single employer" within the meaning of Section 4001(b) of ERISA or Section 414 of the Code.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Executive Officer Retention Agreements**" means the retention agreements to be entered into between the Company and each of the following executive officers of the Company, which employment agreements will be in a form approved by the Buyer, acting reasonably, and will provide for (i) the payment of an agreed bonus conditioned upon continued employment by the executive officer with the Company for a period of three years following Closing, subject to continued compliance by the

executive officer with the terms of their employment agreement with the Company, and (ii) non-competition agreements and non-solicitation agreements on commercially reasonable terms:

(A) Scott Switzer, and

(B) Sarah Ryder.

"**Existing Credit Agreement**" shall mean that certain Loan Agreement with UMB Bank, National Association ("**Existing Lender**"), dated July 6, 2018, as amended or modified from time to time.

"**Expenses**", as used in this Agreement, shall include all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, financing sources, hedging counterparties, experts and consultants to a party hereto and its Affiliates) incurred (whether or not billed) at any time (whether before or after the date hereof) by a party or on its behalf primarily related to the authorization, preparation, negotiation, execution and performance of this Agreement, and in the case of Buyer, with respect to its due diligence investigation of the Company and its Subsidiaries.

"**FCPA**" shall mean the U.S. Foreign Corrupt Practices Act of 1977, as amended.

"**Flow of Funds Memorandum**" means that certain flow of funds memorandum dated as of the Closing Date that establishes the applicable amounts recipient Persons will receive in connection with the Closing, and their corresponding wire transfer instructions, in accordance with Section 1.8 of this Agreement.

"**Fraud**" means a claim for actual and intentional fraud with a specific intent to deceive based on an inaccurate representation or warranty contained in this Agreement (and not with respect to any other matters) if, at the time such representation or warranty was made, (a) the representation or warranty was materially inaccurate, (b) the Party making such representation or warranty had actual knowledge (not imputed or constructive knowledge) of the material inaccuracy of such representation or warranty and failed to notify the other Party or otherwise correct the same; and (c) such other Party acted in reliance on such materially inaccurate representation and suffered or incurred financial injury as a result of such reliance. For the avoidance of doubt and without limiting the foregoing, it is agreed and understood that "Fraud" does not include (i) any claim for equitable fraud, promissory fraud, unfair dealings fraud or any torts based on negligence or recklessness, or (ii) extra-contractual representations made, or alleged to have been made, by or on behalf of any Person.

"**Fully Diluted Percentage**" means, with respect to an Equityholder, the percentage determined by dividing (a) (i) the total number of shares of Company Common Stock that are held by such Equityholder immediately prior to the Effective Time, plus (ii) the total number of shares of Company Common Stock issuable upon exercise in full of all In-the-Money Company Options (whether vested or unvested) that are held by such Equityholder immediately prior to the Effective Time, by (b) (i) the total number of shares of Company Common Stock issued and outstanding immediately prior to the Effective Time, plus (ii) the total number of shares of Company Common Stock issuable upon exercise in full of all In-the-Money Company Options (whether vested or unvested) that are outstanding and unexercised immediately prior to the Effective Time.

"**GAAP**" shall mean the United States generally accepted accounting principles.

"**Governmental Authority**" shall mean any United States (federal, state or local) or foreign government, or any governmental, regulatory, judicial or administrative authority, agency or commission.

"**Hazardous Materials**" shall mean any material, substance, chemical or waste (or combination thereof) that (a) is listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant, a contaminant, petroleum, oil or words of similar meaning or effect under any Environmental Law or (b) can form the basis of any liability under any Environmental Law.

"**Indebtedness**" shall mean (a) any indebtedness or other obligation for borrowed money, whether current, short term or long term and whether secured or unsecured, (b) any indebtedness evidenced by a note, bond, debenture or other Security or similar instrument, (c) any liabilities or obligations with respect to interest rate swaps, collars, caps and similar hedging obligations, (d) any capitalized lease obligations, (e) any direct or contingent obligations under letters of credit, bankers' acceptances, bank guarantees, surety bonds and similar instruments, each to the extent drawn upon and paid, (f) any obligation to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (g) COVID Related Deferrals and (h) guarantees in respect of clauses (a) through (g), as applicable, including guarantees of another Person's Indebtedness or any obligation of another Person which is secured by assets of the Company or any of its Subsidiaries.

"**Intellectual Property**" shall mean all intellectual property rights, intangible industrial property rights, invention and design rights, and all related priority rights protected, conceived, created or arising under the Laws of the United States or any other jurisdiction or under any international convention, including all Patents, Trademarks, Copyrights, Trade Secrets, and Software, all copies of tangible embodiments of the foregoing (in whatever form or medium) and any rights equivalent to any of the foregoing anywhere in the world.

"**Intellectual Property Agreement**" shall mean any license-in, license-out, purchasing-in, purchasing-out, assignment, consent to use, covenant not to sue, non-assertion, coexistence, settlement or similar Contract concerning (a) Intellectual Property that is material to the Company or its Subsidiaries, (b) Company Owned IP, or (c) Software used by the Company or any of its Subsidiaries, other than commercially available, non-customized, off-the-shelf software subject to "shrink-wrap" or "click-through" type terms and available to the Company or any of its Subsidiaries, as applicable, at a cost of less than $50,000 per annum. Without limiting the generality of the foregoing, the following Contracts to which the Company or any of its Subsidiaries is a party, if any, shall be included in the definition of "Intellectual Property Agreement": (i) each Contract pursuant to which any Intellectual Property has been or will be developed by a third Person, either solely by such third Person or jointly with the Company or any of its Subsidiaries, for the benefit of the Company or any of its Subsidiaries; (ii) each Contract pursuant to which the Company or any of its Subsidiaries purchased, sold, transferred, or acquired, or will purchase, sell, transfer, or acquire, any Intellectual Property; and (iii) each Contract pursuant to which any Company Owned IP is subject to a Lien or other restriction, other than a Permitted Lien. Notwithstanding the foregoing, the following are not included in the definition of "Intellectual Property Agreement": (a) Contract for Software used by the Company or any of its Subsidiaries, other than commercially available,

non-customized, off-the-shelf software subject to "shrink-wrap" or "click-through" type terms and available to the Company or any of its Subsidiaries, as applicable, at a cost of less than $50,000 per annum; (b) open source software licenses; (c) non-exclusive license rights granted pursuant to end-user license agreements or other customer agreements entered into by the Company in the ordinary course of business; (d) non-exclusive license rights granted for the use of a trademark, name, logo, or other identifier where the grant of the license is not the primary purpose of such contract (d) confidentiality or nondisclosure agreements; and (e) agreements with current and former employees, officers, contractors, and consultants for providing services to the Company or any of its Subsidiaries.

"**Intervening Event**" shall mean any effect, change, development, event, occurrence or circumstance that is material to the Company and its Subsidiaries, taken as a whole, that was not known or reasonably foreseeable to the Company Board on the date of this Agreement (or if known, the material consequences of which were not known to the Company Board as of the date of this Agreement), which effect, change, development, event, occurrence or circumstance, or any consequence thereof, becomes known to the Company Board prior to the Company Stockholder Approval and did not result from or arise out of the announcement or pendency of, or any actions required to be taken by the Company (or to be refrained from being taken by the Company) pursuant to, this Agreement; provided, however, that in no event shall the following events, circumstances, or changes in circumstances constitute an Intervening Event: (a) the receipt, existence, or terms of a Company Acquisition Proposal or any matter relating thereto or consequence thereof or any inquiry, proposal, offer, or transaction from any third party relating to or in connection with a transaction of the nature described in the definition of "Company Acquisition Proposal" (which, for the purposes of the Intervening Event definition, shall be read without reference to the percentage thresholds set forth in the definition thereof); (b) any change in the price, or change in trading volume, of the Company Common Stock; (c) any breach by the Company of this Agreement, or (d) the fact, in and of itself, that the Company exceeds internal or published projections (provided, however, that the exception to this clause (b) and (d) shall not apply to the underlying causes giving rise to or contributing to such change or prevent any of such underlying causes from being taken into account in determining whether an Intervening Event has occurred).

"**In-the-Money Company Option**" means a Company Option for which the fair market value of the underlying Common Stock is greater than such option's strike price.

"**IRS**" shall mean the United States Internal Revenue Service.

"**Knowledge**" shall mean the actual knowledge of each of the officers and employees of the Company set forth on Section 8.14 of the Company Disclosure Letter. With respect to Intellectual Property, "Knowledge" does not require the Company to conduct, have conducted, obtain, or have obtained any freedom-to-operate opinions or similar opinions of counsel or any patent, trademark or other Intellectual Property clearance searches.

"**Law**" shall mean any domestic, federal, state, municipal, local, national, supranational, foreign or other statute, law (whether statutory or common law), constitution, code, ordinance, rule, administrative interpretation, regulation, Order, writ, judgment, decree, directive (including those of any self-regulatory organization), arbitration award, agency requirement, license, permit or any other enforceable requirement of any Governmental Authority.

“**Liability**” or “**Liabilities**” means any and all debts, liabilities, guarantees, claims, damages, deficiencies, costs, expenses, obligations or responsibilities, of any nature whatsoever, whether director or indirect, known or unknown, accrued or fixed, absolute or contingent, mature or unmatured or determined or indeterminable, choate or inchoate, liquidated or unliquidated, secured or unsecured.

“**Lien**” shall mean any liens, covenants, charges, security interests, options, claims, mortgages, pledges, encumbrances or other restrictions of any nature whatsoever.

“**Merger Consideration**” shall mean the total of (i) the Closing Merger Consideration, and (ii) the Post-Closing Amount.

“**Net Working Capital**” means an amount equal to the difference of (a) the total current assets, *less* (b) the total current liabilities applied on a basis consistent with the Company’s past practices used in preparing the Financial Statements, provided that total current liabilities will not include (i) amounts owing under the Company’s line of credit or the Company’s term loan with UMB Bank (which amounts, for clarity, will be included as Indebtedness), (ii) any Transaction Expenses or Transaction Payments to be paid by Buyer on Closing pursuant to Section 1.8(a)(iii), and (iii) lease liabilities. By way of illustration, a calculation of projected Company Net Working Capital as of April 28, 2023 is set forth on Section 8.14 of the Company Disclosure Letter.

“**OFAC**” shall mean the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“**Optionholder**” means the holder of one or more Company Options (and “**Optionholders**” means all holders of Company Options).

“**Order**” shall mean any decree, order, settlement, consent, stipulation, judgment, injunction, writ, award, temporary restraining order or other order in any Proceeding by or with any Governmental Authority.

“**Patents**” shall mean all issued letters or design patents, reissued or reexamined patents, patents surviving *inter partes* review, revival of patents, utility models, registered community designs, registered industrial designs, certificates of invention, registrations of patents and extensions thereof, supplemental protection certificates regardless of country issued or formal name and all published or unpublished non-provisional and provisional patent applications, reissue applications, reexamination proceedings, invention disclosures and records of invention, continuation applications, continuation-in-part applications, requests for continued examination and divisions, divisional applications, patent term extension applications, applications for supplemental protection certificates, all rights in respect of utility models and certificates of invention, and all rights and priorities and all extensions and renewals thereof, regardless of the country filed or formal name.

“**Permitted Lien**” shall mean (a) Liens for Taxes, utilities or governmental assessments, charges or claims of payment (i) not yet due and payable or (ii) that are being contested in good faith and by appropriate proceedings and for which adequate reserves have been maintained in accordance with GAAP; (b) suppliers’, workers’, mechanics’, materialmen’s or other similar liens arising by operation of Law or otherwise incurred in the ordinary course of business consistent with past practice; (c) Liens arising

under equipment leases with third Persons entered into in the ordinary course of business consistent with past practice; (d) any other Liens if the underlying obligations are non-monetary and do not, individually or in the aggregate, (A) materially impair the continued use and operation of the assets of the Company and its Subsidiaries to which they relate in the conduct of the business of the Company and its Subsidiaries, taken as a whole, as currently conducted or (B) in the case of Liens with respect to Buyer and its Subsidiaries, do not, individually or in the aggregate, materially impair the continued use and operation of the assets of Buyer and its Subsidiaries to which they relate in the conduct of the business of Buyer and its Subsidiaries, taken as a whole, as currently conducted; (e) Liens in favor of customs and revenue authorities arising as a matter of Law and in the ordinary course of business to secure payment of customs duties in connection with the importation of goods; (f) Liens resulting from securities Laws on Securities of the Company or its Subsidiaries; (g) Liens incurred in connection with the Existing Credit Agreement; (h) Liens created by Buyer, Merger Sub or any of their respective Affiliates; (i) with respect to real property and improvements, zoning regulations, building codes and other land use regulations or environmental regulations, ordinances or legal requirements or similar laws imposed by any Governmental Authority (excluding liens imposed by applicable Environmental Laws related to the investigation or remediation of contaminated real property), to the extent not violated by the Company's or any of its Subsidiaries' current use of such real property (or in the case of Liens with respect to Buyer or any of its Subsidiaries, to the extent not violated by Buyer's or any of its Subsidiaries' current use of such real property); (j) in connection with any real property leased to the Company, all title exceptions, defects, easements, restrictions and other matters encumbering landlord's interest in such real property, whether or not of record, which do not, individually or in the aggregate, materially affect the continued use and operation of the applicable property in the conduct of the business of the Company and its Subsidiaries as currently conducted; and (k) non-exclusive licenses of Intellectual Property granted in the ordinary course of business.

"**Person**" shall mean an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a Governmental Authority.

"**Personal Information**" means any information that (a) identifies or can reasonably be used by the intended recipient to identify an individual, or (b) is regulated as 'personal information', 'personal data', or 'personally identifiable information' by any applicable Data Protection Law.

"**Post-Closing Amount**" shall mean any cash disbursements required to be made from the Equityholders' Representative Expense Fund.

"**Post-Closing Common Per Share Amount**" means the quotient obtained by dividing (a) the Post-Closing Amount, by (b) the Total Stock.

"**Proceedings**" shall mean legal, civil, criminal, administrative, regulatory, arbitral, enforcement, civil penalty, alternative dispute resolution, debarment, seizure or other proceedings, litigation, suits, actions, charges, complaints, subpoenas, prosecutions, claims, audits, assessments, inquiries or investigations (other than internal inquiries or investigations).

"**Pro Rata Share**" means with respect to each Equityholder, the percentage represented by the quotient of (i) the amount of Closing Merger Consideration payable to such Equityholder *divided by* (ii) the aggregate amount of Closing Merger Consideration payable to all Equityholders.

"**Release**" shall mean any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials, including the movement of Hazardous Materials through or into the air, soil, surface water, groundwater or real property.

"**Representative**" shall mean, with respect to any Person, such Person's Affiliates and its and their respective officers, directors, managers, partners, employees, accountants, counsel, financial advisors, consultants and other advisors, agents or representatives.

"**Sanctioned Country**" shall mean, at any time, a country or territory which is itself the subject or target of comprehensive Sanctions (at the time of this Agreement, Crimea, Cuba, Donetsk and Luhansk, Iran, North Korea, Russia, and Syria).

"**Sanctioned Person**" shall mean any Person that is the target of Sanctions, including (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, Switzerland or any European Union member state, (b) any Person located, organized or resident in a Sanctioned Country, or (c) any Person 50% or more owned or otherwise controlled by any such Person or Persons described in the foregoing clauses (a) and (b).

"**Sanctions**" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government through OFAC or the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, Her Majesty's Treasury of the United Kingdom or Switzerland.

"**Security**" shall mean, with respect to any Person, any series of common stock, preferred stock and any other equity interest or capital stock of such Person (including interests or rights of any kind convertible into or exchangeable or exercisable for any equity interest in any such series of common stock, preferred stock or any other equity interest or capital stock of such Person), however described and whether voting or non-voting.

"**Software**" shall mean any and all (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, including program files, data files, computer-related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, (c) descriptions, flow charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (d) all documentation including user manuals and other training documentation related to any of the foregoing, and any improvements, updates, upgrades or derivative works of any of the foregoing.

"**Stockholder**" means the holder of record of any share(s) of Company Common Stock (and "**Stockholders**" means all holders of record of shares of Company Common Stock).

"**Subsidiary**" of a Person shall mean any other Person with respect to which the first Person (a) has the right to elect a majority of the board of directors or other Persons performing similar functions or (b) beneficially owns more than fifty percent (50%) of the voting stock (or of any other form of voting or controlling equity interest in the case of a Person that is not a corporation), in each case, directly or indirectly through one or more other Persons.

"**Superior Proposal**" means an unsolicited *bona fide* written Company Acquisition Proposal (except that, for purposes of this definition, each reference in the definition of "Company Acquisition Proposal" to "15% or more" shall be "more than 50%") that did not result from a breach (or deemed breach) of Section 5.5 of this Agreement and the Company Board determines in good faith (after consultation with outside legal counsel and the Company's financial advisor) is more favorable to the Equityholders from a financial point of view (taking into account the payment of the Termination Fee) than the transactions contemplated by this Agreement, after taking into account: (a) all financial considerations; (b) the identity of the third party making such Company Acquisition Proposal; (c) the anticipated timing, conditions (including any financing condition or the reliability of any debt or equity funding commitments) and prospects for completion of such Company Acquisition Proposal; (d) the other terms and conditions of such Company Acquisition Proposal and the implications thereof on the Company, including relevant legal, regulatory, and other aspects of such Company Acquisition Proposal deemed relevant by the Company Board (including any conditions relating to financing, stockholder approval, regulatory approvals, or other events or circumstances beyond the control of the party invoking the condition); and (e) any revisions to the terms of this Agreement and the Merger proposed by Buyer during the Superior Proposal Notice Period set forth in Section 5.5(e).

"**Target Indebtedness**" shall mean the amount of $13.0 million.

"**Target Merger Consideration**" shall mean the amount equal to (i) the Target Merger Consideration Per Share Amount, multiplied by (ii) the Total Stock.

"**Target Merger Consideration Per Share Amount**" shall mean the amount equal to $6.20 per share.

"**Target Net Working Capital**" means the amount of $14.5 million at the Closing.

"**Tax**" or "**Taxes**" shall mean any foreign, federal, state, provincial or local income, earnings, profits, gross receipts, franchise, capital stock, net worth, sales, use, value added, occupancy, general property, real property, personal property, intangible property, transfer, fuel, excise, escheat, unclaimed property (regardless of whether such escheat or unclaimed property is considered a Tax under applicable law), payroll, withholding (including under Section 409A of the Code), unemployment compensation, social security, retirement, environmental (including any Taxes imposed under Section 59A of the Code) or other tax of any nature; or any deficiency, interest or penalty imposed with respect to any of the foregoing (or for the failure to file a Tax Return or a complete and accurate Tax Return).

"**Tax Returns**" shall mean any return, elections, disclosures, report, information statement, declaration, claim for refund or other similar filing, including any schedule or attachment thereto, and including any amendment thereof, filed or required to be filed with a Governmental Authority with respect to Taxes.

"**Termination Fee**" shall mean the amount equal to 3% of the total of (i) Target Merger Consideration, plus (ii) Target Indebtedness.

"**Total Stock**" means the sum, without duplication, of (a) the aggregate number of shares of Company Common Stock that are issued and outstanding immediately prior to the Effective Time; *plus* (b) the aggregate number of shares of Company Common Stock issuable upon the net exercise of Company Options that are vested, issued, outstanding and exercisable immediately prior to the Effective Time (or which become exercisable as a result of the consummation of the transactions contemplated hereby).

"**Trade Secrets**" shall mean all trade secrets (protectable as such in any applicable jurisdiction), know-how and confidential or other proprietary information relating to technical, engineering, manufacturing, processing, marketing, financial, or business matters, including new developments, inventions and discoveries (whether patentable or not and whether or not reduced to practice and all improvements thereto), invention disclosures, processes, blueprints, manufacturing, engineering and other drawings and manuals, recipes, research data and results, flowcharts, diagrams, schematics, chemical compositions, formulae, diaries, notebooks, lab journals, design and engineering specifications and similar materials recording or evidencing expertise or information, designs, methods of manufacture, processing techniques, data processing techniques, compilation of information, customer, vendor and supplier lists, pricing and cost information, and business and marketing plans and proposals, all related documents thereof, and all claims and rights related thereto.

"**Trademarks**" shall mean any and all registered or unregistered trademarks, service marks, trade dress, trade names, corporate names, assumed financial business names, logos, slogans, Internet domain names, and any other source or business identifiers, and all applications, registrations and renewals in connection therewith throughout the world, and all goodwill associated with any of the foregoing.

"**Transaction Documents**" means this Agreement and all other agreements, instruments, certificates and other documents to be entered into or delivered by any party, pursuant to any of the foregoing.

"**Transaction Expenses**" means the fees, costs and expenses (including the fees, costs and expenses of Imperial Capital and any other attorneys, investment bankers, brokers and other advisors and Computershare and Broadridge expenses in connection with the Company Stockholder Meeting) incurred by or on behalf of the Company in connection with or related to the sale process, the negotiation of this Agreement and the other agreements contemplated hereby, the compliance by the Company hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, in each case whenever due and payable.

“**Transaction Payments**” means the aggregate amount of any change in control, success, transaction or other similar bonuses, any retention or severance obligations, any deferred compensation obligations and any incentive bonus payments, in each case, that are payable by, or are otherwise liabilities of, the Company arising from or that become due and payable solely as a result of the transactions contemplated by this Agreement, which will include, without limitation, the retention bonus awards referred to in Section 3.12(a) of the Disclosure Letter.

“**Treasury Regulations**” shall mean regulations promulgated by the IRS under the Code.

(b) The terms set forth below shall have the meanings ascribed thereto in the referenced sections:

2021 Audited Financial Statements	Section 3.6(b)
2022 Audited Financial Statements	Section 5.10
2022 Unaudited Financial Statements	Section 3.6(b)
Accounting Firm	Section 1.7(f)
Acquisition Transaction	Section 7.4(c)
Agreement	Preamble
Alternative Acquisition Agreement	Section 5.5(a)
Anti-Corruption Laws	Section 3.21(a)
Benefit Plan	Section 3.12(a)
Book-Entry Shares	Section 2.1(b)
Buyer	Preamble
Buyer 401(k) Plan	Section 5.8(d)
Buyer Material Adverse Effect	Section 4.1
Buyer Related Parties	Section 7.4(d)
Buyer Party	6.1(a)
Bylaws	Section 3.1(a)
Canceled Shares	Section 2.1(a)(iii)
Capitalization Date	Section 3.2(a)
CARES Act	Section 3.27
Certificate of Incorporation	Section 3.1(a)
Certificate of Merger	Section 1.3
Certificates	Section 2.1(b)
Closing	Section 1.2
Closing Date	Section 1.2
Closing Statement	Section 1.7(a)
Closing Statement Dispute Notice	Section 1.7(d)
COBRA	Section 3.12(g)
Company	Preamble
Company 401(k) Plan	Section 5.9(d)
Company Adverse Recommendation Change	Section 5.5(d)
Company Board	Recitals
Company Leased Property	Section 3.17(b)
Company Material Contract	Section 3.15(a)

Company Option Grant Date	Section 3.2(b)
Company Permits	Section 3.10(a)
Company Preferred Stock	Section 3.2(a)
Company Stockholder Approval	Section 3.4
Company Stockholders’ Meeting	Section 5.2(c)
Consent	Section 3.5(b)
Continuing Employee	Section 5.8(a)
Data Protection Laws	Section 3.16(q)
Declaration	Section 5.3(b)
DGCL	Recitals
Dissenter Payment	Section 2.5
Dissenting Shares	Section 2.5
Dissenting Stockholder	Section 2.5
Effective Time	Section 1.3
Enforceability Exceptions	Section 3.3(a)
Equityholders Representative	Preamble
Expense Reimbursement	Section 7.4(d)
E&Y	Section 1.7(f)
ERISA	Section 3.12(a)
Financial Statements	Section 3.6(a)
Indebtedness Adjustment Amount	Section 1.7(h)
Indemnified Party	Section 5.16(a)
Independent Contractor	Section 3.13(e)
Intervening Event Notice Period	Section 5.5(g)(i)
Labor Agreement	Section 3.13(a)(ii)
Lease	Section 3.17(b)
Material Supplier	Section 3.19(c)
Maximum Premium	Section 5.16(b)
Merger	Recitals
Merger Consideration	Section 2.1(a)(i)
Merger Sub	Preamble
Notice	Section 5.3(b)
Option Consideration	Section 2.3(a)
Paying Agent	Section 2.2(a)
Payment Fund	Section 2.2(a)
Pre-Closing Period	Section 5.5(a)
Privacy Requirements	Section 3.16(q)
Proxy Statement	Section 3.11
Restrictive Business Arrangement	Section 3.15(a)(ix)
Security Breach	Section 3.16(r)
Share	Section 2.1(a)(i)
Specified Acquisition Agreement	Section 7.4(c)
Superior Proposal Notice Period	Section 5.5(f)(z)(A)
Surviving Corporation	Section 1.1
Systems	Section 3.16(q)

Termination Date	Section 7.1(b)(i)
Voting and Support Agreement	Recitals
Working Capital Adjustment Amount	Section 1.7(g)

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, Buyer, Merger Sub, the Company and Equityholders' Representative have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BUYER:

IDIS CO., LTD.

By:
Name:
Title:

MERGER SUB:

TPZ2023 ACQUISITION CORP.

By:
Name:
Title:

COMPANY:

COSTAR TECHNOLOGIES, INC.

By:
Name:
Title:

EQUITYHOLDERS' REPRESENTATIVE:

ALAN B. HOWE

By: