
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-15946

Ebix, Inc.

(Exact name of registrant as specified in its charter)

Delaware

77-0021975

(State or other jurisdiction of incorporation)

(I.R.S. Employer Identification Number)

1 Ebix Way

Johns Creek, Georgia

(Address of principal executive offices)

30097

(Zip Code)

Registrant's telephone number, including area code: (678) 281-2020

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol (s)	Name of each exchange on which
Common Stock, par value \$0.10 per share	EBIX	The Nasdaq Stock Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under section 404(b) of the Sarbanes-Oxley Act (15U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of March 6, 2023, the number of shares of common stock outstanding was 30,902,615. As of June 30, 2022 (the last business day of the registrant’s most recently completed second fiscal quarter), the aggregate market value of common stock held by non-affiliates, based upon the last sale price of the shares as reported on the Nasdaq Global Capital Market on such date, was approximately \$296 million.

EBIX, INC.

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SAFE HARBOR REGARDING FORWARD-LOOKING STATEMENTS

As used herein, the terms “Ebix,” “the Company,” “we,” “our” and “us” refer to Ebix, Inc., a Delaware corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Ebix, Inc.

This Form 10-K contains forward-looking statements and information within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements regarding future economic conditions, operational performance and financial condition, liquidity and capital resources, acceptance of the Company's products by the market, potential acquisitions and management's plans and objectives. Words such as “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “seek,” “plan,” “project,” “continue,” “predict,” “will,” and other words or expressions of similar meaning are intended by the Company to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are based on our current expectations about future events or results and information that is currently available to us, involve assumptions, risks, and uncertainties, and speak only as of the date on which such statements are made.

Our actual results may differ materially from those expressed or implied in these forward-looking statements. Factors that may cause such a difference, include, but are not limited to:

- the maturity of our Credit Facility in May 2023 and our ability to secure financing as needed;
- our ability to complete the EbixCash IPO (as defined below) on acceptable terms or at all;
- the continuing impact of COVID-19;
- the impact of U.S. and global market, economic and geopolitical conditions;
- any reduction in our gift card business following its rapid growth during COVID-19
- willingness of independent insurance agencies to outsource their computer and other processing needs to third parties;
- our ability to make new business acquisitions and integrate such acquired businesses into our operations;
- pricing and other competitive pressures and the Company's ability to gain or maintain share of sales as a result of actions by competitors and others;
- our ability to develop new products and respond to rapid technological changes;
- disruptions in internet connections and the protection of information transmitted over the internet;
- changes in estimates in critical accounting judgments;
- the effective protection of our intellectual property;
- changes in or failure to comply with laws and regulations, including accounting standards,
- taxation requirements (including tax rate changes, new tax laws and revised tax interpretations) in domestic or foreign jurisdictions;
- exchange rate fluctuations and other risks associated with investments and operations in foreign countries (particularly in Singapore, Australia and India wherein we have significant operations);
- volatility in equity markets, including market disruptions and significant interest rate fluctuations, which may impede our access to, or increase the cost of, external financing; and
- international conflict, including terrorist acts.

These and other risks are described in more detail in Part I Item 1A, "Risk Factors", as well as in other reports subsequently filed with the Securities and Exchange Commission ("SEC").

Except as expressly required by the federal securities laws, the Company undertakes no obligation to update any such factors, or to publicly announce the results of, or changes to any of the forward-looking statements contained herein, to reflect future events, developments or changed circumstances, or for any other reason.

Readers should carefully review the disclosures and the risk factors described in this and other documents we file from time to time with the SEC, including future reports on Forms 10-Q and 8-K, and any amendments thereto.

You may obtain our SEC filings at our website, www.ebix.com under the “Investor Information” section, or over the internet at the SEC's web site, www.sec.gov.

SUMMARY OF RISK FACTORS

Below is a summary of the risk factors that make an investment in our securities speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this summary of risk factors, and other risks that we face, can be found in Item 1A: Risk Factors and should be carefully considered, together with other information in this Form 10-K.

- Our Credit Facility matures in May 2023 and we may not be able to secure a replacement or additional financing to support capital requirements when needed.
- Our Credit Facility contains provisions that could materially restrict our business.
- We may not be able to complete the EbixCash IPO on acceptable terms or at all.
- The EbixCash IPO may not have the benefits we anticipate.
- We continue to be impacted by the COVID-19 global pandemic.
- Our business may be materially adversely impacted by U.S. and global market, economic and geopolitical conditions, particularly adverse conditions in the insurance and financial services industries.
- Our revenue from our gift card business grew significantly during the COVID-19 pandemic and may not continue at that level as the risks of the COVID-19 pandemic decrease and global markets return to normalized levels.
- Our future growth may depend in part on acquiring other businesses in our industry.
- Any future acquisitions that we may undertake could be difficult to integrate, disrupt our business, dilute stockholder value and adversely impact our operating results.
- We may not be able to develop new products or services necessary to effectively respond to rapid technological changes.
- The markets for our products and services are and will likely become even more highly competitive, and our competitors may be able to respond quicker to new or emerging technology and changes in customer requirements.
- We operate in a price sensitive market and we are subject to pressures from customers to decrease our fees for the services and solutions we provide, and any reduction in price would likely reduce our margins and could adversely affect our operating results.
- Our current customers might not purchase additional software solutions, renew maintenance agreements or purchase additional professional services, or they might switch to other product or service offerings.
- If our customers do not renew their subscriptions for our services or reduce the number of paying subscriptions at the time of renewal, our revenue will decline and our business will suffer.
- Because we recognize revenue from subscriptions for our services over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results.
- Supporting our existing and growing customer base could strain our personnel resources and infrastructure, and if we are unable to scale our operations and increase productivity, we may be unable to successfully implement our business plan.
- Our product development cycles and sales cycle are lengthy, and we may incur significant expenses before we generate revenues, if any, from new products.
- Our sales cycle is variable and often lengthy, depends upon many factors outside our control, and requires us to expend significant time and resources prior to generating associated revenues.
- We generally regard our intellectual property and software as critical to our success, and we may not be able to effectively or efficiently protect our intellectual property.
- If we infringe on the proprietary rights of others, our business operations may be disrupted, and any related litigation could be time consuming and costly.
- We depend on the continued services of our senior management and our ability to attract and retain other key personnel.
- If we do not effectively manage our geographically dispersed workforce, we might not be able to run our business efficiently and successfully.
- Increased inflation can have an adverse effect on our operations.

- The enactment of a new U.S. Federal excise tax and other proposed or future tax legislation may adversely impact our financial condition and results of operations.
- Cybersecurity threats and other security incidents continue to increase in frequency and sophistication and any such threats or incidents could result in serious negative consequences.
- Our software solutions are deployed through cloud-based implementations, and if such implementations are compromised by data security disruptions, our reputation could be harmed, and we could lose customers or be subject to significant liabilities.
- We face risks in the transmittal of individual health-related and other personal information.
- Any disruption of our internet connections could affect the success of our internet-based products and services.
- Consumer fraud could adversely affect our business, financial condition and results of operations.
- Uncertainty in the marketplace regarding the use of internet users' personal information, or legislation limiting such use, could reduce demand for our services and result in increased expenses.
- Our international operations are subject to a number of risks expose us to numerous and often conflicting laws and regulations, policies, standards or other requirements that could affect our revenues, operating results, and growth.
- A substantial portion of our assets and operations are located outside of the U.S. and we are subject to regulatory, tax, economic, political and other uncertainties in other foreign countries in which we operate.
- We conduct money transfer transactions in some regions that are politically and economically volatile, which could increase our cost of operating in those regions.
- A significant change or disruption in international migration patterns could adversely affect our business, financial condition and results of operations
- Our earnings may be adversely affected if we change our intent not to repatriate foreign earnings or if such earnings become subject to U.S. tax on a current basis.
- New legislation that would change U.S. or foreign taxation of business activities, including the imposition of tax based on gross revenue, could harm our business and financial results.
- Changes in tax laws or tax rulings could materially affect our financial position, results of operations, and cash flows.
- Our financial position and operating results may be adversely affected by the changing U.S. Dollar rates and fluctuations in other currency exchange rates.
- Principal shareholders may be able to exert control over our future direction and operations.
- Provisions in our articles of incorporation, bylaws, and Delaware law may make it difficult for a third party to acquire us, even in situations that may be viewed as desirable to shareholders.
- Our Amended SAR Agreement with Mr. Robin Raina could have the effect of discouraging or making more difficult an acquisition or change of control of the Company even if viewed as desirable by our shareholders.
- We could potentially be required to recognize an impairment of goodwill or other indefinite-lived intangible assets which could impact earnings for future periods.
- If we fail to maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud and our stockholders could lose confidence in our financial results.
- The nature of our business requires the application of complex revenue and expense recognition rules that require management to make estimates and assumptions and the current legislative and regulatory environment affecting GAAP is uncertain which could affect our financial statements going forward.
- We may be exposed to risks relating to the resignation of our prior registered public accounting firm.
- The costs and effects of litigation, investigations or similar matters involving us or our subsidiaries could materially affect our business, operating results and financial condition.
- Government investigations may require significant management time and attention, result in significant legal expenses or damages and cause the Company's business, financial condition, results of operations and cash flows to suffer.
- Federal Trade Commission laws and regulations that govern the insurance industry could expose us or the agents, brokers and carriers with whom we conduct business in our online marketplace to legal penalties.

PART I

Item 1. BUSINESS

Company Overview

Ebix, Inc. ("Ebix", the "Company," "we" or "our"), a Delaware corporation, was founded in 1976 as Delphi Systems, Inc. In December 2003, the Company changed its name to Ebix, Inc. The Company is listed on the Nasdaq Global Market ("Nasdaq").

Ebix is a leading international supplier of on-demand infrastructure exchanges to the insurance, financial services, travel, and healthcare industries. In the insurance sector, the Company's main focus is to develop and deploy a wide variety of insurance and reinsurance exchanges on an on-demand basis using software-as-a-service ("SaaS") enterprise solutions in the areas of customer relationship management ("CRM"), front-end and back-end systems, and outsourced administrative and risk compliance. The Company's products feature fully customizable and scalable on-demand software designed to streamline the way insurance and financial industry professionals manage distribution, marketing, sales, customer service, and accounting activities. With a "Phygital" strategy that combines physical distribution outlets in India and many Associations of Southeast Asian Nations ("ASEAN") countries to an Omni-channel online digital platform, the Company's EbixCash Financial exchange portfolio of software and services encompasses domestic and international money remittance, foreign exchange ("Forex"), travel, pre-paid gift cards, utility payments, lending, and wealth management in India and other ASEAN markets.

The Company has its worldwide headquarters in Johns Creek, Georgia, and also has domestic and international operations spread across approximately 200 offices. The countries in which the Company has operating facilities and offices, include, among others, Australia, Brazil, Canada, India, Indonesia, New Zealand, the Philippines, Singapore, the United Kingdom ("U.K."), the United Arab Emirates and the United States of America ("United States" or "U.S."). In these locations Ebix employs skilled technology and business professionals who provide products, services, support and consultancy services to thousands of customers in over 70 countries across six continents.

Ebix's goal is to be a leading facilitator of insurance and financial transactions in the world. The Company's technology vision is to focus on the convergence of all insurance and financial exchange channels, processes and entities for seamless data flow. Ebix combines the newest technologies with its capabilities in consulting, systems design and integration, information technology ("IT") and business process outsourcing, applications software, and web and application hosting to meet the individual needs of organizations.

The Company's EbixCash Exchanges ("EbixCash") division executes a "Phygital" strategy that combines over 650,000 physical distribution outlets in India and many ASEAN countries with an Omni-channel online digital platform. The Company's EbixCash Financial exchange portfolio of software and services encompasses domestic and international money remittance, foreign exchange ("Forex"), travel, pre-paid gift cards, utility payments, lending and wealth management in India and other Southeast Asian markets. EbixCash's Forex operations have emerged as a leader in India's airport Forex business, with operations in 20 international airports, including Delhi, Mumbai, Hyderabad, Chennai and Kolkata. EbixCash's inward remittance business in India is the clear market leader due to its geographic depth and its affiliations with international money transmitters, such as Western Union, Moneygram and Ria. EbixCash, through its travel portfolio of Via and Mercury, is one of Southeast Asia's leading travel exchanges, with over 500,000 agents and approximately 18,000 registered corporate clients. EbixCash's financial technologies business offers software solutions at the enterprise level for banks, asset and wealth management companies and trust companies within India, Southeast Asia, the Middle East and Africa. The EbixCash's e-learning solutions are provided to schools throughout India via high quality 2-D and 3-D animation and multimedia learning. EbixCash's business process outsourcing services provide information technology and call center services to a variety of industries.

During the year ended December 31, 2022, approximately 92.3% of Ebix revenues came from EbixCash and Insurance Exchanges. International revenue accounted for 85.3% and 84.4% of the Company's total revenue for the twelve months ended December 31, 2022 and 2021, respectively.

Acquisition & Integration Strategy

While not entirely critical to our future profitability or liquidity, the Company views acquisitions as an integral part of its growth strategy, an efficient way to further expand its reach, and an effective utilization of the operating cash generated from the Company's business. We are strategic and selective when making acquisitions. We look to make complementary accretive

acquisitions as and when the Company has sufficient liquidity, stable cash flows, and, if necessary, access to financing at attractive interest rates.

The Company seeks to acquire businesses that complement Ebix's existing products and services. Any acquisition made by Ebix typically will fall into one of two different categories: (i) the acquired company has products and/or services that are competitive to our existing products and services; or (ii) the acquired company's products and services are either a complement to or an extension of our existing products and services or our core business competencies.

In cases where an acquired company's products and services are competitive to our existing products and services, upon acquisition, the Company immediately strives towards the goal of providing a single product or service in the functional area with a common code base around the world, rather than having multiple products addressing the same need. In each case, the Company immediately works towards assimilating the best of breed functionality on a common architecture. The Company's goal remains to provide easy-to-use solutions for our customer base, while ensuring that any product or service integrates seamlessly with other existing or outside functionalities. Regardless of whether the acquired company's product/service is retired, or the existing Ebix product/service is retired, the Company is focused on maximizing operational efficiency for our business while creating cutting-edge products and services that make future product sales more robust and maintenance more efficient.

Once an acquisition is consummated, the infrastructure, human resources, sales, product management, development, and other common functions are integrated with our existing operations to ensure that efficiencies are maximized and redundancies eliminated. We generally do not maintain separate sales, development, product management, implementation or quality control functions following the closing of any acquisition. The Company integrates and, where appropriate, centralizes certain key functions, such as product development, information technology, marketing, sales, finance, administration, and quality assurance, immediately after an acquisition to ensure that the Company can maximize cost efficiencies. Simultaneously with the integration of any acquired company, the Company's resources and infrastructure are leveraged to work across multiple functions, products and services, making it neither practical nor feasible to precisely track and disclose separately the specific earnings impact from the business combinations we have executed after they have been acquired. Consequently, the concept of "acquisitive growth" versus "organic growth" becomes obscured given the dynamics and underlying operating principals of Ebix's acquisition, integration, and growth strategy. This tactic is a key part of our business strategy that facilitates high levels of efficiency, operating income margins and consistent end-to-end vision for our business. Our plan is to make niche acquisitions in the insurance, international financial exchange, e-learning, and healthcare sectors, integrate them seamlessly into the Company and make them efficient by implementing Ebix's standardized processes, with the goal of increasing operating profits and cash flows for the Company.

In many of the acquisitions made by the Company there are contingent consideration terms associated with the achievement of certain designated revenue targets for the acquired Company. This structure allows us to follow through with our integration strategy, while enabling the acquired company to be eligible for revenue-based contingent purchase consideration. Accordingly, we are able to maximize operational productivity while allowing the principals of the acquired company to maximize the potential economics from the sale process.

The Company's integration strategies are targeted at improving the efficiency of our business, centralizing key functions, exercising better control over our operations, and providing consistent technology and product vision across all functions, entities and products. This is a key part of our business philosophy designed to enable Ebix to operate at a high level of efficiency and facilitate a consistent end-to-end strategic vision for the industries we serve.

Recent Strategic Business Acquisitions

During the year ended December 31, 2022 the Company did not complete any business acquisitions.

During the year ended December 31, 2021 the Company did not complete any business acquisitions.

Industry Overview

The insurance and financial services industries have initiatives to reduce paper-based processes and facilitate efficiencies of both the back-end and the consumer-end (front-end) sides of processes. This evolution has involved all industry constituents and is directly impacting the manner in which various products are distributed. Management believes that both industries will continue to experience significant change and increased efficiencies through online exchanges as reduced paper-based processes are becoming increasingly a norm across world markets.

Products and Services

The Company reports as a single operating segment. The Company’s revenues are derived from three product/service groups. Presented in the table below is the breakout of our revenue streams for each of those product/service groups for the years ended December 31, 2022, 2021, and 2020:

<i>(In thousands)</i>	For the Year Ended		
	December 31,		
	2022	2021	2020
EbixCash Exchanges	797,805	749,774	386,564
Insurance Exchanges	171,156	171,087	174,424
Risk Compliance Solutions	81,185	74,077	64,621
Totals	<u>\$1,050,146</u>	<u>\$ 994,938</u>	<u>\$ 625,609</u>

Information on the geographic dispersion of the Company’s revenues and long-lived assets is furnished in Note 14 to the consolidated financial statements, included in Part II Item 8 of this Form 10-K. See Item 1A (Risk Factors) for discussion of certain risks related to our foreign operations.

The Company’s product and service strategy focuses on: (a) expansion of connectivity between all entities via its EbixCash and Ebix Exchange family of products in the financial, Forex, travel, life, health, workers compensation, risk management, annuity and property and casualty ("P&C") sectors; (b) worldwide sales and support of P&C back-end insurance and broker management systems; (c) worldwide sale, customization, development, implementation and support of its P&C back-end insurance carrier system platforms; (d) risk compliance solutions services, which include insurance certificate origination, certificate tracking, claims adjudication call center, consulting services and back office support; and (e) e-governance/e-learning solutions in emerging world markets. Ebix also provides software development, customization, and consulting services to a variety of entities in the insurance industry, including carriers, brokers, exchanges and standards-making bodies.

Ebix’s revenue streams come from three product/service channels, as discussed in the following paragraphs. The Company derives its revenues primarily from our financial transaction fees, software subscription and transaction fees, software license fees, risk compliance solutions services fees, and professional service fees, including associated fees for consulting, implementation, training, and project management provided to customers with installed systems and applications.

EbixCash Exchanges

EbixCash revenues are primarily derived from the sales of prepaid gift cards and consideration paid by customers for financial transaction services, including services like transferring or exchanging money. The significant majority of EbixCash revenue is for a single performance obligation and is recognized at a point in time. These revenues vary by transaction based upon channel, send and receive locations, the principal amount sent, whether the money transfer involves different send and receive currencies, and speed of service, as applicable.

EbixCash also offers several other services, including payment services and ticketing and travel services for which revenue is impacted by varying factors. EbixCash acts as the principal in most transactions and reports revenue on a gross basis, as EbixCash controls the service at all times prior to transfer to the customer, is primarily responsible for fulfilling the customer contracts, has the risk of loss, and has the ability to establish transaction prices.

The main services from which EbixCash derives revenue are as follows:

Gift Cards

EbixCash sells general purpose prepaid gift cards to corporate customers and consumers that can be later redeemed at various merchants. The gift cards are co-branded between EbixCash and its card-issuing banking partners and are affiliated with major payment associations such as VISA, Mastercard, and Rupay. The gift cards are sold to a diversified set of corporate customers from various industries. The gift cards are used by corporate customers to disburse incentives to the end users, which are primarily their employees, agents and business associates. The gift cards sold by EbixCash are not reloadable, cannot be used at ATMs or for any other cash-out or funds transfer transactions, and are subject to maximum limits per card (currently INR10,000 or approximately \$120). Gift cards issued by EbixCash are valid for a period of 15 months from the date of

issuance for virtual cards and three years for physical cards. EbixCash has entered into arrangements with banks and financial institutions to settle payments to merchants based on utilization of the gift cards.

The Company has end-to-end responsibilities related to the gift cards sold, from the activation and ongoing utilization of the gift cards to customer service responsibilities to risk of loss due to fraud on the gift cards sold. EbixCash acts a principal in the sale of gift cards and, thus, gift card revenue is recognized on a gross basis (full purchase value at the time of sale) with the corresponding cost of the gift cards recorded as cost of services provided. Unredeemed gift cards at December 31, 2022 totaled approximately \$5.4 million and are recorded as deferred revenues in the financial results.

EbixCash Travel Exchanges

EbixCash Travel revenues are primarily derived from commissions and transaction fees received from various travel providers and international exchanges involved in the sale of travel to the consumer. EbixCash Travel revenue is for a single performance obligation and is recognized at a point in time. Travel revenues include: (i) reservation commissions, segment fees from global travel exchange providers, and transaction net revenues (i.e., the amount charged to travelers less the amount owed to travel service providers) in connection with our reservation services; (ii) ancillary fees, including travel insurance-related revenues and certain reservation booking fees; and (iii) credit card processing rebates and customer processing fees. EbixCash Travel services include the sale of hotel rooms, airline tickets, bus tickets and train tickets. EbixCash's Travel revenue is also derived from ticket sales, wherein the commissions payable to EbixCash Travel, along with any transaction fees paid by travel providers and travel exchanges, is recognized as revenue after completion of the service. The transaction price on such services is agreed upon at the time of the purchase.

EbixCash Travel revenue for the corporate meetings, incentives, conferences, and exhibitions ("MICE") packages is recognized at full purchase value at the completion of the obligation, with the corresponding costs recorded as cost of services provided. For MICE revenues, EbixCash Travel acts as the principal in transactions and, accordingly, reports revenue on a gross basis. EbixCash Travel controls the service at all times prior to transfer to the customer, is responsible for fulfilling the customer contracts, has the risk of loss, and has the ability to establish transaction prices.

EbixCash Money Transfer

For the EbixCash money transfer business, EbixCash has one performance obligation whereupon the customer engages EbixCash to perform one integrated service. This performance obligation typically occurs instantaneously when the beneficiary entitled to receive the money transferred by the sender visits the EbixCash outlet and collects the money. Accordingly, EbixCash recognizes revenue upon completion of the following: (i) the customer's acknowledgment of EbixCash's terms and conditions and the receipt of payment information; (ii) the money transfer has been processed; (iii) the customer has received a unique transaction identification number; and (iv) funds are available to be picked up by the beneficiary. The transaction price is comprised of a transaction fee and the difference between the exchange rate set by EbixCash to the customer and the rate available in the wholesale foreign exchange market, as applicable, both of which are readily determinable at the time the transaction is initiated.

Foreign Exchange and Outward Remittance Services

For EbixCash's foreign exchange and payment services, customers agree to terms and conditions for all transactions, either at the time of initiating a transaction or signing a contract with EbixCash to provide payment services on the customer's behalf. In the majority of EbixCash's foreign exchange and payment services, EbixCash makes payments to the recipient to satisfy its performance obligation to the customer and, therefore, EbixCash recognizes revenue on foreign exchange and payment when this performance obligation has been fulfilled.

Consumer Payment Services

EbixCash offers several different bill payment services that vary by considerations, including among other factors: (i) who pays the fee to EbixCash (consumer or biller); (ii) whether the service is offered to all consumers; (iii) whether the service is restricted to existing biller relationships of EbixCash; and (iv) whether the service utilizes a physical agent network offered for consumers' convenience. The determination of which party is EbixCash's customer for revenue recognition purposes is based on these considerations for each of EbixCash's bill payment services. For all transactions EbixCash's customers agree to EbixCash's terms and conditions, either at the time of initiating a transaction (where the consumer is determined to be the customer for revenue recognition purposes) or upon signing a contract with EbixCash to provide services on the biller's behalf (where the biller is determined to be the customer for revenue recognition purposes). As with consumer money transfers,

customers engage EbixCash to perform one integrated service - collecting money from the consumer and processing the bill payment transaction. This service provides the billers real-time or near real-time information regarding their customers' payments and simplifies the billers' collection efforts. The transaction price on bill payment services is contractual and determinable. Certain biller agreements may include per-transaction or fixed periodic rebates, which EbixCash records as a reduction to revenue.

EbixCash Technology and Business Process Outsourcing Services

EbixCash also offers on-demand technology to various providers in the area of lending, wealth and asset management, and travel across the world. Additionally, EbixCash provides IT and call center outsourcing services to companies in a variety of industries, both in India and globally. The EbixCash technology software solutions are generally delivered on a SaaS subscription and/or transaction based pricing model. Please see below under "Insurance Exchanges" a description of revenue recognition policies for Software as a Service, Subscription and Transaction Fees, which are similar to how EbixCash technology software solutions revenues are recognized. For IT and call center outsourcing services provided by EbixCash businesses, revenues are generally recognized on a time and materials or fixed fee basis. Revenues for time and materials are recognized as such services are rendered while fixed fee revenues are recognized based on the input method driven by the expected hours to complete the project measured against the actual hours completed to date.

Insurance Exchanges

Insurance Exchanges revenues are primarily derived from consideration paid by customers related to our SaaS platforms, related services and the licensing of software. A typical contract for our SaaS platform will also include services for setup, customization, transaction processing, maintenance, and/or hosting. Determining whether products and services are considered distinct performance obligations that should be accounted for separately may require significant judgment. Set-up and customization services related to our SaaS platforms are not considered to be distinct from the usage fees associated with the SaaS platform and, accordingly, are accounted for as a single performance obligation. These services, along with the usage or transaction fees, are recognized over the contract duration, which considers the significance of the upfront fees in the context of the contract and which may, therefore, exceed the initial contracted term. A customer's transaction volume tends to remain fairly consistent during the contract period without significant fluctuations. The invoiced amount is a reasonable approximation of the revenue that would be allocated to the related period under the variable consideration guidelines in ASC 606-10-32-40. To the extent that a SaaS contract includes subscription services or professional services, apart from the upfront customization, these are considered separate performance obligations. The Company also has separate software licensing (on premise/perpetual), unrelated to the SaaS platforms, which is recognized at the point in time when the license is transferred to the customer.

Contracts generally do not contain a right of return or refund provisions. Our contracts often do contain overage fees, contingent fees, or service level penalties which are accounted for as variable consideration. Revenue accounted for as variable consideration is immaterial and is recognized using the "right to invoice" practical expedient when the invoiced amount equals the value provided to the customer.

Software-as-a-Service

The Company allocates the transaction price to each distinct performance obligation using the relative stand-alone selling price. Determining the stand-alone selling price may require significant judgment. The stand-alone selling price is the price at which an entity has sold or would sell a promised good or service separately to a customer. The Company determines the stand-alone selling price based on observable price of products or services sold separately in comparable circumstances when such observable prices are available. When standalone selling price is not directly observable, the Company estimates the stand-alone selling price using the market assessment approach by considering historical pricing and other market factors.

Software Licenses

Software license revenues attributable to a software license that is a separate performance obligation are recognized at the point in time that the customer obtains control of the license.

Subscription Services

Subscription services revenues are associated with performance obligations that are satisfied over specific time periods and primarily consist of post-contract support services. Revenue is generally recognized ratably over the contract term. Our subscription contracts are generally for an initial three-year period with subsequent one-year automatic renewals.

Transaction Fees

Transaction revenue is comprised of fees applied to the volume of transactions that are processed through our SaaS platforms. These are typically based on a per-transaction rate and are invoiced for the same period in which the transactions were processed and as the performance obligation is satisfied. The amount invoiced generally equals the value provided to the customer, and revenue is typically recognized when invoiced using the as-invoiced practical expedient.

Professional Services

Professional service revenue primarily consists of fees for setup, customization, training, or consulting services. Professional service fees are generally on a time and materials basis or a fixed fee. Revenues for time and materials are recognized as such services are rendered, while fixed fee revenues are recognized based on the input method that is driven by the expected hours to complete the project measured against the actual hours completed to date. Professional services, particularly related to SaaS platforms, may have significant dependencies on the related licensed software and may not be considered a distinct performance obligation.

Risk Compliance Solutions ("RCS")

RCS revenues consist of two revenue streams - certificates of insurance ("COI") and consulting services. COI revenues are derived from consideration paid by customers for the creation and tracking of certificates of insurance. These revenues are transaction-based. Consulting services revenues are driven by distinct consulting service engagements rendered to customers, for which revenues are recognized using the output method on a time and material basis as the services are performed.

COI Creation and Tracking

The Company provides services to issue and track certificates of insurance in the U.S. and Australian markets. Revenue is derived from transaction fees for each certificate issued or tracked. The Company recognizes revenue at the issuance of each certificate or over the period the certificate is being tracked.

Consulting Services

The Company provides consulting services to clients around the world for project management, integration, development and testing. Consulting services fees are generally earned on either a time and materials or a fixed fee basis. Revenues for time and materials are recognized using an output method as the services are rendered, while fixed fee revenues are recognized based on the input method that is driven by the expected hours to complete the project measured against the actual hours completed to date.

Product Development

The Company focuses on maintaining high quality product development standards. Product development activities include research and the development of platform and/or client specific software enhancements, such as adding functionality, improving usefulness, increasing responsiveness, adapting to newer software and hardware technologies, or developing and maintaining the Company's websites.

The Company has spent \$41.2 million, \$40.0 million, and \$35.3 million during the years ended December 31, 2022, 2021 and 2020, respectively, on product development initiatives. The Company's product development efforts are focused on the continued enhancement and redesign of the EbixCash, Insurance Exchange, broker systems, carrier systems, and RCS product and service lines to keep our technology at the cutting edge in the markets we compete. Development efforts also provide new technologies for insurance carriers, brokers and agents, and the redesign, coding and development of new services for international and domestic markets.

The Company has centralized worldwide product development, intellectual property rights development and software and system development operations in Dubai, Singapore, and India. With its strong focus on quality, our Indian operations deliver cutting-edge solutions for our customers across the world. India is rich in technical skills and the cost structure is significantly lower as compared to the U.S. Ebix continues to expand its India operations as a learning center of excellence,

with a strong focus on hiring skilled professionals with expertise in insurance systems and software applications. This focus on building this knowledge base, combined with the ability to hire more professional resources in India's lower cost structure, has enabled Ebix to consistently protect its knowledge base and to deliver projects in a cost-effective fashion.

Competition

We believe Ebix is the only company worldwide in insurance and financial software markets that provides services in all three of our above listed revenue channels. Conversely, though, this also means that in each of these areas Ebix has different competitors. In fact, in most of these areas Ebix has a different competitor locally in each region in which it operates. In our Insurance Exchange and EbixCash operations Ebix often has a different competitor on each line of exchange in each country, but the scale of these entities is often very limited.

The following is a closer and more detailed discussion of our business and the competition in each of these three main channels.

EbixCash

With a "Phygital" strategy that combines over 650,000 physical distribution outlets in India and many ASEAN countries with an Omni-channel online digital platform, the Company's EbixCash financial exchange portfolio encompasses leadership in the areas of domestic and international money remittance, Forex, travel, pre-paid gift cards, utility payments, software solutions for lending and wealth management in India and other Southeast Asian markets. EbixCash's Forex operations have emerged as a leader in India's airport Forex business, with operations in 20 international airports, including Delhi, Mumbai, Hyderabad, Chennai and Kolkata. EbixCash's inward remittance business in India is the clear market leader due to its geographic depth and its affiliations with international money transmitters, such as Western Union, Moneygram and Ria. EbixCash, through its travel portfolio of Via and Mercury, is one of Southeast Asia's leading travel exchanges, with over 500,000 agents and approximately 18,000 registered corporate clients. EbixCash's financial technologies business offers software solutions at the enterprise level for banks, asset and wealth management companies and trust companies within India, Southeast Asia, the Middle East and Africa. EbixCash's e-learning solutions are used by schools throughout India via high quality 2-D and 3-D animation and multimedia learning. EbixCash's business process outsourcing services provide information technology and call center services to a variety of industries.

EbixCash Forex (EbixCash World Money): EbixCash's Forex operations have emerged as a dominant leader in India's Forex industry, with operations in approximately 20 international Indian airports and 10 ports serving hundreds of corporate customers, hotels, Duty Free Shops, temples, educational institutes, etc.

EbixCash World Money is the largest non-bank foreign exchange operation in India in all business segments, including the retail, corporate and bank notes businesses. The company holds a more than 30% market share in the student segment (part of retail), wherein students' overseas education expenses are processed by EbixCash World Money. EbixCash World Money is the largest non-bank corporate Forex provider in the country with more than 2,400 corporate relationships. Competition is fragmented and is comprised of banks such as ICICI Bank and HDFC Bank, along with money exchange companies such as Thomas Cook.

Currently, EbixCash World Money is the single largest money exchange operator at airports in India. EbixCash World Money is also the largest bank note aggregator amongst non-banks, dealing in over 80 different currencies, the highest by any non-bank entity in the business segment.

The EbixCash inward remittance business continues to hold a dominant position in India and is the principal agent for large Money Transfer Operators ("MTOs") such as Western Union, MoneyGram, Ria, and Transfast. EbixCash is the largest network partner for Western Union globally and an exclusive partner for MoneyGram in India. EbixCash also processes over 70% of all Ria transactions in India through its agent network.

EbixCash Travel and Holidays: EbixCash Travel and Holidays is a 360-degree holiday and travel solutions enterprise with a holistic focus on delivering exceptional travel experience in all genres, such as holiday, travel, airline, luxury train travel/holidays, buses, cabs, MICE, sporting events, and others.

Indian travel business enterprises are categorized in the regional and national domain as focused on either a channel, a genre, a product or a demography, and by whether or not allied products, such as Forex and insurance, are offered. MakeMytrip, a relatively new entrant in the pan India holidays space, compared to Thomas Cook and SOTC, has consistently focused on online bookings for holiday/vacation travel. Contrarily, Thomas Cook and SOTC have invested to strengthen their offline presence and market penetration. Thomas Cook is a leading holiday/vacation player that offers Forex services. SOTC

has also been active in the holiday/vacation travel market. Most other competitors have limited scale compared to EbixCash Travel, Thomas Cook and SOTC.

Insurance Exchanges

Ebix operates a number of insurance exchanges and the competition for each of those exchanges varies within each of the regions in which Ebix operates.

Life Insurance Exchange: Ebix operates a straight-through processing end-to-end Life Exchange service that has three life insurance exchanges in the U.S.: WinFlex, TPP, and LifeSpeed. WinFlex is an exchange for pre-sale life insurance illustrations between brokers and carriers. TPP is an underwriting and highly customized electronic application platform for life insurance and other ancillary products, including disability and critical illness, and LifeSpeed is an order entry platform for life insurance. Each of these exchanges is presently deployed in the U.S., and the Company is also continuing to deploy them in other parts of the world. Ebix has two main competitors in the life exchange area: iPipeline and Insurance Technologies. Ebix differentiates itself by virtue of having an end-to-end solution in the market, with all exchanges being interfaced with other broker systems and CRM solutions, such as Ebix's SmartOffice. We believe Ebix's exchanges also have the largest aggregation of life insurance brokers and carriers transacting business in the United States.

Annuity Exchange: Ebix operates a straight-through processing end-to-end Annuity Exchange service that has two annuity insurance exchanges in the U.S.: AMP and AN4. These exchanges are platforms for annuity transactions between brokers, carriers, broker general agents ("BGAs"), and other entities involved in annuity transactions. These exchanges are mainly deployed in the U.S.; however, the Company endeavors to deploy it in other parts of the world, such as Latin America and Australia. Ebix has deployed its AN4 solution, which was fully developed internally by Ebix, is highly scalable and customizable, and can be delivered over the cloud. Ebix has two main competitors in the annuity exchange area, iPipeline and Insurance Technologies. Ebix differentiates itself from these competitors by virtue of having an end-to-end solution offering in the market with its exchanges being interfaced with other broker systems and CRM solutions, such as Ebix's SmartOffice. Ebix exchanges transact the largest amount of annuity premiums of any single exchange in the U.S.

SmartOffice: Ebix's CRM exchange, SmartOffice, is designed to address the specific needs of insurance companies, general agents, banks, financial advisors and investment dealers. SmartOffice is tightly integrated into the Ebix Life, Health, P&C and Annuity exchanges as a means to make end-to-end enterprise-wide information exchange seamless for our clients. Our competitors in this space include Salesforce.com, iPipeline, Redtail, Microsoft, SAP and Oracle. Ebix's insurance specific domain expertise provides the Company with compelling and competitive selling points despite the competitive nature of the CRM market.

Employee Benefits: Ebix currently provides employee benefit and health insurance exchange services using four platforms: Facts, LuminX, HealthConnect and EbixEnterprise. EbixEnterprise, which we developed internally, is the most recent Enterprise Health Exchange being deployed by Ebix in the U.S. These platforms are sold to health carriers and third party administrators. These platforms provide a full range of services, such as quoting, policy administration, document management, enrollment and eligibility, claims adjudication, benefits administration, accounting, and compliance functionality coupled with web portals and data analytics. The HealthConnect insurance quoting portals service the individual and small group marketplace. Ebix has a number of competitors of varying sizes in this area. Trizetto is currently the largest employee benefits software player in the market in the U.S., while there are other smaller competitors, such as Mphasis, EDS, VBA, Plexus, and HealthEdge.

Risk Compliance Solutions (RCS)

Ebix's focus in this channel pertains to business process outsourcing services that include providing domain intensive project management, system consulting services and claims adjudication/settlement services to clients across the world. Additionally, Ebix RCS has the market leading business for the creation and tracking of certificates of insurance issued in the U.S. and Australian markets. The RCS Channel also consists of Broker and Carrier P&C systems.

Ebix's RCS channel focuses on helping its clients outsource any specific service or manpower to the Company on an onsite or offshore basis. Ebix's RCS COI business services are enabled by the Company's SaaS-based proprietary software. Ebix's RCS COI service offerings currently cater to Fortune 500 companies in the U.S. Ebix's RCS COI service offering in the U.S. competes with companies such as Applied Systems, MyCOI.com, and Certfocus. Due to the highly fragmented market, the Ebix RCS COI service offering also has a number of smaller competitors, such as Datamonitor, CMS, and Exigis.

Ebix operates P&C exchanges in Australia, New Zealand, the U.K., and the U.S. All of these exchanges are targeted to the areas of personal and commercial lines, and facilitate the exchange of insurance data between brokers and insurance

carriers. There is presently little competition in the P&C exchange area in Australia and New Zealand. Our competitive differentiation exists by virtue of having an end-to-end solution offering in the market allowing our exchanges to be interfaced with multiple broker systems.

Ebix has three primary P&C broker system offerings worldwide: Ebix Evolution, eGlobal, and WinBEAT. The competition for these broker systems varies within each of the regions in which Ebix provides such products and services.

Ebix Evolution and eGlobal are sold throughout the world. Both systems are multilingual and multi-currency and support country-specific legislative and taxation requirements. These systems are available in a number of languages, such as English, Chinese, Japanese, French, Portuguese, and Spanish. Both Ebix Evolution and eGlobal are targeted to the medium and large P&C brokers around the world, and are available for cloud or on-premise deployment. Competition tends to be different in each country, with no single competitor having a global offering. The two systems compete with home grown systems and regional players in each country. Our competitive advantage and uniqueness stems from multilingual and multi-currency functionality, as well as end-user customization support. Both systems have a uniform common code base globally that allows Ebix to easily tailor features and functionality to customer needs (ease of activating/deactivating functionality).

WinBEAT is a Policy Management System (back-end broker system) targeted to the general insurance broking sector and is primarily sold in Australia. WinBEAT is targeted at small- to medium-sized P&C brokers. The product at present is available only in English and can be deployed in a few hours with minimal training. WinBEAT competes in Australia with local vendors, such as Brokers Advantage and Steadfast Insight. Ebix has deployed WinBEAT to emerging insurance markets, such as Papua New Guinea and some of the Pacific Islands, with possible future deployment to other regional markets in the future.

Ebix's broker systems (Ebix Evolution, eGlobal and WinBEAT) customer base spans over 600 of the approximately 750 P&C brokers in Australia, an 80% market penetration of the P&C broker systems.

In the Carrier P&C Systems, Ebix has two system offerings for P&C carriers, Ebix-Advantage and Ebix AdvantageWeb. Ebix-Advantage is targeted at small, medium and large P&C carriers in the United States that operate in the personal, commercial and specialty line areas of insurance. Ebix AdvantageWeb is designed for the international markets and is targeted at the small, medium and large P&C carriers in the international markets that operate in the personal, commercial and specialty line areas of insurance. Ebix-AdvantageWeb is designed to be multi-currency and multilingual and is deployed in Brazil, the U.K. and the U.S. Competition to both these products comes from large companies, such as CSC, Guidewire, Xchanging, Accenture and specialty medical malpractice players like Delphi.

Intellectual Property

Ebix seeks protection under federal, state and foreign laws for strategic or financially important intellectual property developed in connection with our business. We regard our software as proprietary, adhere to open architecture industry standards and attempt to protect our software with copyrights, trade secret laws and restrictions on the disclosure and transferring of title. Certain intellectual property, where appropriate, is protected by contracts, licenses, registrations, or other protections. Despite these precautions, it may be possible for third parties to copy aspects of the Company's products or, without authorization, to obtain and use information which the Company regards as trade secrets.

Employees

As of December 31, 2022, the Company had 10,521 employees worldwide and is presented in the table below. None of the Company's employees are presently covered by a collective bargaining agreement. Management considers the Company's relations with its employees to generally be good.

	Number of Employees
India	9,367
United States	428
Latin America	363
Philippines	102
Australia	97
Indonesia	71
Europe	49
Singapore	17
United Arab Emirates	10
New Zealand	9
Canada	8
	10,521

Human Capital

The Company's workforce is global in nature, with the majority of our employees in India. We are subject to various employment laws and regulations based on the country in which our employees are located. Our CEO and other global senior leaders of Ebix shared human resource responsibilities include providing effective programs related to staffing, employee recruiting and development, compensation and benefits, and compliance. We compensate employees through a competitive compensation program that includes base salary or hourly wage, health and life insurance, retirement benefits, paid time off and long-term incentives for key management. As each country's employment environment is different, we may use different competitive recruitment and retention tools to meet the rules and regulations and market dynamics to serve the needs of our business.

Our success is dependent upon our ability to attract, develop, and retain qualified employees. We are committed to building a culture of diversity, professional growth, and high performance through offering our employees challenging and engaging growth opportunities that contribute to their overall career development. We also strive for a culture where different viewpoints are valued and individuals are treated fairly so that the Company can attract and retain the best talent.

Diversity and Inclusion: The Company believes that its rich culture of diversity and inclusion enables it to create, develop and fully leverage the strengths of its workforce to exceed customer expectations and meet its growth objectives. The Company places a high value on diversity and inclusion, recruiting and retaining staff with diverse backgrounds, experiences or characteristics who share a common interest in professional development, improving corporate culture and delivering sustained business results.

During 2020 and continuing into 2021, the Company implemented procedures to ensure employee safety due to the COVID-19 pandemic. The Company made operational changes which allowed for a more flexible and mobile workforce around the globe. In 2022, we maintained these COVID related safety measures and in countries where we continue to have a physical office presence, kept in place a hybrid work schedule as appropriate. We have continually monitored local conditions and government requirements and have refined our safety protocols as warranted.

Information About Executive Officers

The following persons serve as our executive officers as of March 6, 2023:

Name	Age	Position	Officer Since
Robin Raina	56	Chairman, President, and Chief Executive Officer	1998
Steve Hamil	54	Corporate Executive Vice President & Chief Financial Officer	2020
Graham Prior	66	Corporate Executive Vice President - International Business & Intellectual Property	2012
Leon d'Apice	67	Corporate Executive Vice President International Business Managing Director - Ebix Australia Group	2012
James Senge Sr.	62	Senior Vice President EbixHealth	2012

There are no family relationships among our executive officers, nor are there any arrangements or understandings between any of those officers and any other persons pursuant to which they were selected as officers. See Part III Item 10 for biographical information on the Company's Executive Officers.

General

Our principal executive offices are located at 1 Ebix Way, Johns Creek, Georgia 30097, and our telephone number is (678) 281-2020.

Our official web site address is <http://www.ebix.com>. We make available, free of charge, at <http://www.ebix.com>, the charters for the committees of our board of directors, our code of conduct and ethics, and, as soon as practicable after we file them with the SEC, our annual reports on Form 10-K, our quarterly reports on Form 10-Q and current reports on Form 8-K. Any waiver of the terms of our code of conduct and ethics for the chief executive officer, the chief financial officer, any accounting officer, and all other executive officers will be disclosed on our Web site. The reference to our web site does not constitute incorporation by reference of any information contained at that site.

Certain materials we file with the SEC may also be read and copied at or through the Internet website maintained by the SEC at www.sec.gov.

Item 1A. RISK FACTORS

The following risks and uncertainties are not the only ones we face. Additional risks and uncertainties, including risks and uncertainties of which we are currently unaware or which we believe are not material also could materially adversely affect our business, financial condition, results of operations or cash flows. You should consider carefully all of the risks described below, together with the other information contained in this annual report, before making a decision to invest in our securities. In any case, the value of our common stock could decline, and you could lose all or a portion of your investment. See also, "Safe Harbor Regarding Forward-Looking Statements."

Risks Related To Our Business and Industry

Our Credit Facility matures in May 2023 and we may not be able to secure a replacement or additional financing to support capital requirements when needed.

The Company maintains a senior secured syndicated credit facility, dated as of August 5, 2014, among Ebix, Inc., as borrower, its subsidiaries party thereto from time to time as guarantors, Regions Bank, as administrative agent and collateral agent, and the lenders party thereto from time to time (as amended from time to time, the "Credit Facility"). The Credit Facility provides a \$450 million revolving line of credit (the "Revolver") as well as a term loan (the "Term Loan"), which at December 31, 2022 had a balance of \$181.9 million. The Credit Facility was to mature in February 2023, but the Company negotiated an

extension of the maturity of the Credit Facility to May 23, 2023. As a result, as of December 31, 2022 the outstanding balance of the Credit Facility, \$631.8 million, was classified as a current liability. In addition to the EbixCash IPO described below, the Company is also pursuing multiple other capital raising strategies to address the refinancing requirements of the Credit Facility, including debt, equity, and hybrid debt/equity options at the corporate level and within the EbixCash operations in India. If necessary, the Company will also pursue other strategic options, and the Board of Directors has formed a special committee to assist it in further evaluating all alternatives to address the capital required to refinance the Credit Facility. If we are unable to arrange for a long-term debt facility to replace the Credit Facility on terms that are acceptable to us, raise additional equity proceeds as needed, or secure an extension of the Credit Facility, our liquidity will be materially adversely impacted and we will be unable to repay the principal outstanding under the Credit Facility at maturity in May 2023. Additionally, the Company has been experiencing higher than normal costs associated with its refinancing and strategic alternatives efforts, primarily via expenses paid to attorneys and financial advisors for both Ebix and its existing bank group. This level of expenditures is negatively impacting the Company's overall cash balances and operating results. The Company is unable to determine with certainty as of the date of filing of this Form 10-K the period of time that these elevated expenditures will continue nor the overall amount of the total expenditures that will be required to be made in the fiscal year 2023.

In addition, we may need to raise additional funds in the future to fund new product development, further organic growth initiatives, acquire new businesses, or for other purposes. Any required additional financing may not be available on terms favorable to us, or at all. If adequate funds are unavailable on acceptable terms, we may be unable to meet our strategic business objectives or compete effectively, and the future growth of our business could be adversely impacted.

If additional funds are raised by our issuing equity securities, stockholders may experience dilution of their ownership and economic interests, and the newly issued securities may have rights superior to those of our common stock. If additional funds are raised by our issuance of debt, we may be subject to significant market risks related to interest rates, and operating risks regarding limitations on our activities.

Our Credit Facility contains provisions that could materially restrict our business.

Our Credit Facility contains certain covenants, including with respect to (i) certain permitted restricted payments and investments, and (ii) certain reporting requirements. These covenants include, among others, limitations on making acquisitions, loans or other investments, disposition of assets, dividend payments consistent with historical levels and other restricted payments. The Credit Facility also requires us to comply with a maximum consolidated net leverage ratio and a minimum fixed charge coverage ratio, which we may not be able to achieve. The Company has sought covenant relief in the past and we may need to seek additional relief in the future. These covenants may limit our ability to plan for or react to market conditions or meet capital needs or could otherwise restrict our activities or business plans. These restrictions also could adversely affect our ability to make strategic acquisitions, fund investments or engage in other business activities that could be in our interest. The Company's failure to meet these covenants or comply with these restrictions could have a material adverse effect on our business, financial condition and results of operations. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Credit Facility" and Note 4 to the Notes to Consolidated Financial Statements for additional discussion of our Credit Facility and its covenants.

Further, our ability to comply with these covenants may be affected by events beyond our control that could result in an event of default under our Credit Facility, or documents governing any other existing or future indebtedness. A default, if not cured or waived, may permit acceleration of our indebtedness. In addition, our lenders could terminate their commitments to make further extensions of credit under the Credit Facility. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds to pay the accelerated indebtedness or that we will have the ability to refinance accelerated indebtedness on terms favorable to us or at all.

We may not be able to complete the EbixCash IPO on acceptable terms or at all.

The Company's Indian subsidiary, EbixCash Limited, filed a Draft Red Herring Prospectus ("DRHP") with the Securities and Exchange Board of India on March 9, 2022, for an initial public offering aggregating up to ₹60,000 million or \$787 million (the "EbixCash IPO"). Of the EbixCash IPO proceeds, approximately \$350 million is proposed to be utilized towards purchase of outstanding compulsorily convertible debentures from Ebix Asia Holdings Inc, Mauritius and in turn payment to Ebix, Inc., which is proposed to be used towards reduction of Ebix Inc.'s outstanding debt. As of the date of this filing, we have not received regulatory approval on the DRHP. This delay in the EbixCash IPO has impacted our ability to refinance our Credit Facility.

We still expect to generate additional funding resources from the EbixCash IPO, although we are not in a position to state with certainty if or when any such EbixCash IPO will be consummated, or the terms upon which it ultimately will be consummated. While we expect the EbixCash IPO to be completed during 2023, there can be no assurance that the EbixCash IPO will be completed as anticipated or at all. Our ability to complete the EbixCash IPO is subject to a number of conditions,

including among other things, the registration of the EbixCash IPO under Indian security laws, reasonable market conditions in the Indian equity capital markets and a successful marketing process for the EbixCash IPO with equity investors that invest in Indian publicly traded companies. There can be no assurance that the EbixCash IPO will be completed, and a failure to complete the EbixCash IPO could negatively affect the price of the shares of our common stock and the Company's financial condition.

The EbixCash IPO may not have the benefits we anticipate.

The EbixCash IPO may not have the full or any strategic and financial benefits that we expect, or such benefits may be delayed or may not materialize at all. While we believe that the EbixCash IPO will generate a significant capital inflow for the Company, we are unable to rely with certainty on the EbixCash IPO being successfully completed.

In the event that the EbixCash IPO does not have these and other expected benefits, the costs associated with the transaction, including general and administrative expenses, could have a negative effect on our financial condition and our and EbixCash's ability to make distributions to the stockholders of each company.

We continue to be negatively impacted by the COVID-19 global pandemic

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic. Since then, the outbreak of COVID-19 throughout the world, including North America, Europe and Asia, has adversely impacted the U.S. and global economies. We have experienced and expect to continue to experience disruptions to our business due to COVID-19. Our business, particularly EbixCash, is generally subject to and impacted by, international, national and local economic conditions and travel demands. The COVID-19 pandemic has resulted in and may continue to result in a material adverse effect on the demand for worldwide travel, and therefore, has had and may continue to have a material adverse effect on our business and results of operations. Although the U.S. government has announced that the declared national public health emergency will be allowed to expire on May 11, 2023, we do not expect economic and operating conditions for EbixCash to improve to pre-COVID-19 levels for at least the next year. To the extent that the residual impact from the COVID-19 outbreak continues to adversely affect our business and financial performance, it may also have the effect of heightening many of the other risks identified in this Risk Factors section.

Our business may be materially adversely impacted by U.S. and global market and economic conditions, particularly adverse conditions in the insurance and financial services industries.

Our business, particularly EbixCash, is generally subject to and impacted by, international, national and local economic conditions and travel demands. For the foreseeable future, we expect to continue to derive most of our revenue from products and services we provide to the insurance and financial services industries. Given the concentration of our business activities in these industries, we may be particularly exposed to certain economic downturns affecting these industries. U.S. and global market and economic conditions have been, and continue to be, disrupted and volatile related primarily to inflation, an increasing interest rate environment and the COVID-19 pandemic. The COVID-19 pandemic has resulted in and may continue to result in a material adverse effect on the demand for worldwide travel, and therefore, has had and may continue to have a material adverse effect on our business and results of operations. We do not expect economic and operating conditions for EbixCash to improve to pre-COVID-19 levels for at least the next year.

General business and economic conditions that could affect us and our customers include fluctuations in economic growth, debt and equity capital markets, liquidity of the global financial markets, the availability and cost of credit, investor and consumer confidence, and the strength of the economies in which our customers operate. A poor economic environment (including as a result of continuing negative impacts of COVID-19) could result in significant decreases in demand for our products and services, including the delay or cancellation of current or anticipated projects, or could present difficulties in collecting accounts receivables from our customers due to their deteriorating financial condition. Our existing customers may be acquired by or merged into other entities that use our competitors' products or may decide to terminate their relationships with us for other reasons. As a result, our sales could decline if an existing customer is merged with or acquired by another company, and either has a poor economic outlook or discontinues operations.

We are subject to economic and geopolitical risk that could have an adverse impact on our ongoing business operations.

Our business, growth, financial condition or results of operations could be materially adversely affected by political and economic instability or changes in economic conditions in a country or region(s), changes in laws or regulations or in the interpretation of existing laws or regulations, whether caused by a change in government or otherwise, increased difficulty of conducting business in a country or region due to actual or potential political or military conflict or action by the United States or foreign governments that may restrict our ability to transact business in a foreign country or with certain foreign individuals or entities. Although the length and impact of the ongoing military conflict between Ukraine and Russia is highly unpredictable, the conflict has created and may continue to create significant uncertainty in global financial markets, which may reduce

demand for our services, impact the productivity of our workforce, reduce our access to capital, and harm our business and results of operations. Other risks associated with heightened geopolitical and economic instability include, among others, reduction in consumer, government or corporate spending, international sanctions, embargoes, heightened inflation, volatility in global financial markets, increased cyber disruption or attacks, higher supply chain costs, and increased tensions between the United States and countries in which we operate, all of which could adversely affect our operations and financial condition. To the extent that the ongoing military conflict between Ukraine and Russia adversely affects our business, it may also have the effect of heightening other risks disclosed herein in our Annual Report on Form 10-K for the year ended December 31, 2022, any of which could materially adversely affect our business, financial condition, access to financing, results of operations, and liquidity.

Our revenue from our gift card business grew significantly during the COVID-19 pandemic and may not continue at that level as the risks of the COVID-19 pandemic decrease and global markets return to normalized levels.

During 2020, our revenue from the payment solutions offerings in India (primarily prepaid gift cards), increased dramatically by more than \$200 million year over year to approximately \$256 million (590% year-over-year growth). During 2021, material growth continued with our payment solutions revenue in India with an increase in revenue to approximately \$630 million (146% year-over-year growth). During 2022, payment solutions revenue in India was \$607 million. The increased demand for prepaid gift cards in India was primarily due to: (i) COVID-19, which has facilitated increased online and electronic commerce due to restrictive lockdowns in 2020; (ii) changes in regulations by the Reserve Bank of India related to debit cards, which has shifted demand in the market towards prepaid gift cards; and (iii) the Company's increased marketing efforts around the prepaid gift card business. There can be no assurance that this level of revenue will continue, if there are new regulations adopted that impact the use of gift cards or debit cards or if the Company de-emphasizes this revenue source over time given it provides marginal operating income to the Company.

Our future growth may depend in part on acquiring other businesses in our industry.

We expect continued growth, in part, by making business acquisitions. In the past, we have made accretive acquisitions to broaden our product and service offerings, expand our operations, and enter new geographic markets. We may continue to make selective acquisitions, enter into joint ventures, or otherwise engage in other appropriate business investments or arrangements that we believe will strengthen the Company. However, the continued success of our acquisition program will depend on our ability to find and buy attractive businesses at a reasonable price, to access the requisite financing resources, if needed, to obtain any lender consents required under any credit facility in place and to integrate acquired businesses into our existing operations. Our ability to find, execute and integrate acquisitions is not assured and may be limited by a number of factors, including overall market conditions and access to incremental debt or equity capital to effectuate acquisitions.

Any future acquisitions that we may undertake could be difficult to integrate, disrupt our business, dilute stockholder value and adversely impact our operating results.

Future business acquisitions subject the Company to a variety of risks, including those risks associated with an inability to efficiently integrate acquired operations, higher incremental cost of operations, outdated or incompatible technologies, labor difficulties, or an inability to realize anticipated synergies, whether within anticipated time frames or at all. One or more of these risks, if realized, could have an adverse impact on our operations. Among the integration issues related to acquisitions are:

- potential incompatibility of business cultures;
- potential delays in integrating diverse technology platforms;
- potential need for additional disclosure controls and internal controls over financial reporting;
- potential difficulties in coordinating geographically separated organizations;
- potential difficulties in re-training sales forces to market all of our products across all of our intended markets;
- potential difficulties implementing common internal business systems and processes;
- potential conflicts in third-party relationships; and
- potential loss of customers and key employees and the diversion of the attention of management from other ongoing business concerns.

We may not be able to develop new products or services necessary to effectively respond to rapid technological changes.

We must adapt to rapidly changing technological and market needs, by continually enhancing and introducing new products and services to address our customers' changing demands, in order to be successful. The marketplace in which we operate is characterized by rapidly changing technology, evolving industry standards, frequent new product and service introductions, shifting distribution channels, and changing customer demands. We could incur substantial costs if we need to

modify our services or infrastructure in order to adapt to changes affecting our market, and we may be unable to effectively adapt to these changes.

The markets for our products and services are and will likely become even more highly competitive, and our competitors may be able to respond quicker to new or emerging technology and changes in customer requirements

We operate in highly competitive markets. In particular, the online insurance distribution market, like the broader electronic commerce market, is rapidly evolving and highly competitive. Our insurance software business also experiences competition from certain large hardware suppliers that sell systems and system components to independent agencies and from small independent developers and suppliers of software, who sometimes work in concert with hardware vendors to supply systems to independent agencies. Pricing strategies and new product introductions and other pressures from existing or emerging competitors could result in a loss of customers or a price rate increase or decrease for our services different than past experience. Our internet-facilitated businesses may also face indirect competition from insurance carriers that have subsidiaries which perform in-house agency and brokerage functions.

Some of our current competitors have longer operating histories, larger customer bases, greater brand recognition, and significantly greater financial and marketing resources than we do. In addition, we believe we will face increasing competition as the online financial services industry develops and evolves. Our current and future competitors may be able to:

- undertake more extensive marketing campaigns for their brands and services;
- devote more resources to website and systems development;
- adopt more aggressive pricing policies; and
- make more attractive offers to potential employees, online companies and third-party service providers.

We operate in a price sensitive market and we are subject to pressures from customers to decrease our fees for the services and solutions we provide. Any reduction in price would likely reduce our margins and could adversely affect our operating results.

The competitive market in which we conduct our business could require us to reduce our prices. If our competitors offer discounts on certain products or services in an effort to recapture or gain market share or to sell other products, we may be required to lower our prices or offer other favorable terms to compete successfully. Any of these changes would likely reduce our margins and could adversely affect our operating results. Some of our competitors may bundle products and services that compete with us for promotional purposes or as a long-term pricing strategy or provide guarantees of prices and product implementations. In addition, many of the services and solutions that we provide and market are not unique or proprietary to us and our customers and target customers may not distinguish our services and solutions from those of our competitors. All of these factors could, over time, limit or reduce the prices that we can charge for our services and solutions. If we cannot offset price reductions with a corresponding increase in the number of sales or with lower spending, then the reduced revenue resulting from lower prices would adversely affect our margins and operating results.

Our current customers might not purchase additional software solutions, renew maintenance agreements or purchase additional professional services, or they might switch to other product or service offerings (including competitive products).

We rely on our existing customer base to generate additional business through the purchase of new software solutions, as well as maintenance, consulting and training services. Existing customers might cancel or not renew their maintenance contracts, decide not to buy additional products and services, switch to on-premises models or accept alternative offerings from other vendors.

Our future success depends in part on our ability to sell additional features and services, and more subscriptions or enhanced offerings of our services to our current customers. This may also require increasingly sophisticated and costly sales efforts. Similarly, the rate at which our customers purchase new or enhanced services depends on a number of factors, including general economic conditions and our customers' reaction to any price changes related to these additional features and services. If our efforts to up-sell to our customers are not successful our business may suffer.

If our customers do not renew their subscriptions for our services or reduce the number of paying subscriptions at the time of renewal, our revenue will decline and our business will suffer. If we cannot accurately predict subscription renewals or upgrade rates, we may not meet our revenue targets which may adversely affect the market price of our common stock.

Our customers have no obligation to renew their subscriptions for our services after the expiration of their initial subscription period, and historically some customers have elected not to do so. In addition, our customers may renew for fewer subscriptions, renew for shorter contract lengths or switch to lower cost and/or less profitable offerings of our services. We cannot accurately predict attrition rates given our diverse customer base and large number of multi-year subscription contracts. Our attrition rates may increase or fluctuate as a result of a number of factors, including customer dissatisfaction with our

services, decreases in customers' spending levels, decreases in the number of users at our customers, pricing increases or changes in general economic conditions.

Because we recognize revenue from subscriptions for our services over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results.

We generally recognize revenue from customers ratably over the terms of their subscription agreements, which are typically twelve to thirty-six months. As a result, most of the revenue we report in each quarter reflects the subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be reflected in our revenue results for that quarter; however, any such decline will negatively impact our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our services, and potential changes in our attrition rate, may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

Supporting our existing and growing customer base could strain our personnel resources and infrastructure, and if we are unable to scale our operations and increase productivity, we may be unable to successfully implement our business plan.

We continue to experience significant growth in our customer base and personnel, which has placed a strain on our management, administrative, operational and financial infrastructure. We anticipate that additional investments in our internal infrastructure, data center capacity, research, customer support, and development will be required to scale our operations and increase productivity in order to address the needs of our customers, further develop and enhance our services, and expand into new geographic areas. Any additional investments required to service our customers will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by reducing expenses in the short term.

Our success depends, in part, upon the ability of our senior management to manage our projected growth effectively. To do so, we must continue to increase the productivity of our existing employees and to hire, train and manage new employees as needed. To manage the expected domestic and international growth of our operations and personnel, we need to continue to improve our operational, financial and management controls, our reporting systems and procedures, and our utilization of real estate. If we fail to successfully scale our operations and increase productivity, we will be unable to execute our business plan.

Our product development cycles are lengthy, and we may incur significant expenses before we generate revenues, if any, from new products.

Because our products are complex and require rigorous testing, development cycles can be lengthy. Moreover, development projects can be technically challenging and expensive. The nature of these development cycles may cause us to experience delays between the time we incur expenses associated with research and development and the time we generate revenues, if any, from such expenses. If we expend a significant amount of resources on research and development and our efforts do not lead to the successful introduction or improvement of products that are competitive in the marketplace, this could materially and adversely affect our business and results of operations. Additionally, anticipated customer demand for a product we are developing could decrease after the development cycle has commenced. Such decreased customer demand may cause us to fall short of our sales targets, and we may nonetheless be unable to avoid substantial costs associated with the product's development. If we are unable to complete product development cycles successfully and in a timely fashion and generate revenues from such future products, the growth of our business may be harmed.

Our sales cycle is variable and often lengthy, depends upon many factors outside our control, and requires us to expend significant time and resources prior to generating associated revenues.

The typical sales cycle for our solutions and services is lengthy and unpredictable, requires substantial pre-purchase evaluations by a significant number of persons in our customers' organizations, and often involves a significant operational decision by our customers. Our sales efforts involve educating our customers and industry analysts and consultants about the use and benefits of our solutions.

We generally regard our intellectual property and software as critical to our success, and we may not be able to effectively or efficiently protect our intellectual property.

We rely on copyright laws and licenses and nondisclosure agreements to protect our proprietary rights, as well as the intellectual property rights of third parties whose content we license. However, it is not possible to prevent all unauthorized uses of these rights. We cannot provide assurances that the steps we have taken to protect our intellectual property rights, and the rights of those from whom we license intellectual property, are adequate to deter misappropriation or that we will be able to detect unauthorized uses and take timely and effective steps to remedy unauthorized conduct. In particular, a significant portion of our revenue is derived internationally, including in jurisdictions where protecting intellectual property rights may prove to be

more challenging than in the U.S. To prevent or respond to unauthorized uses of our intellectual property, we might be required to engage in costly and time-consuming litigation and we may not ultimately prevail.

If we infringe on the proprietary rights of others, our business operations may be disrupted, and any related litigation could be time consuming and costly.

Third parties may claim that we have violated their intellectual property rights. Any such claim, with or without merit, could subject us to costly litigation and divert the attention of key personnel. To the extent that we violate a patent or other intellectual property right of a third party, we may be prevented from operating our business as planned, and we may be required to pay damages, to obtain a license to use the right, if available, or to use a non-infringing method, if possible, to accomplish our objectives. The cost of such activity could have a material adverse effect on our business.

We depend on the continued services of our senior management and our ability to attract and retain other key personnel.

Our future success is substantially dependent on the continued services and contributions of our senior management and other key personnel, particularly Robin Raina, our President, Chief Executive Officer, and Chairman of the Board. Since becoming Chief Executive Officer in 1999, Mr. Raina's strategic direction and vision for the Company and the implementation of such direction have been instrumental in our profitable growth. The loss of the services of any of our executive officers or other key employees could harm our business. Our future success also depends on our ability to continue to attract, retain, and motivate highly skilled employees. The inability to attract and retain key skilled personnel could harm our business.

If we do not effectively manage our geographically dispersed workforce, we might not be able to run our business efficiently and successfully.

Our success is dependent on the appropriate alignment of our internal and external workforce planning processes, adequate resource allocation and our location strategy with our general strategy. We have employees located in India, the U.S., Brazil, Australia, Indonesia, the Philippines, the U.K., Singapore, the United Arab Emirates, Canada, and New Zealand. Managing such a diverse and widely spread work force can be difficult and demanding for management. It is critical that we manage our internationally dispersed workforce (both internal and external) effectively, taking short- and long-term workforce and skill requirements into consideration. Changes in headcount and infrastructure needs, as well as local legal or tax regulations, could result in a mismatch between our expenses and revenue. Failure to manage our geographically dispersed workforce effectively could hinder our ability to run our business efficiently and successfully and could have an adverse effect on our business, financial position, profit, and cash flows.

Increased inflation can have an adverse effect on our operations.

Inflation increased globally during 2021 and 2022, and it has had a negative impact on our operations and, if inflation continues at above-historical averages, it could have a more negative impact on our operations. The Company has seen the most impact from inflation within its personnel costs, as well as costs incurred to procure goods and services that are used in our global operations. Our suppliers have raised their prices and may continue to raise prices that we may not be able to pass on to our customers. This has adversely affected and may continue to adversely affect our business, including our competitive position, market share, revenues, and profit margins.

Inflation can have an adverse effect on our operations if the rate of price increases for services and solutions does not keep pace with the cost of inflation; adverse economic conditions may discourage business growth which could affect demand for our services; and the devaluation of some foreign currency may exceed the rate of inflation and reported U.S. dollar revenues and profits may decline. Inflation may make it difficult for us to accurately predict revenue and we may not be able to pass on cost increases caused by general inflation, except to the extent reflected in market conditions.

The enactment of a new U.S. Federal excise tax and other proposed or future tax legislation may adversely impact our financial condition and results of operations.

The Inflation Reduction Act of 2022 (the "Inflation Reduction Act" or "IRA") was signed into law on August 16, 2022. The IRA provides for, among other things, investment in clean energy, reduction in carbon emissions, extension of select Affordable Care Act premium reductions and a new U.S. federal 1% excise tax (the "Excise Tax") on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The Excise Tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased. The amount of the Excise Tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the Excise Tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the Excise Tax. The U.S. Department of the Treasury ("Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the Excise Tax; however, no guidance has been issued to date.

Because we are a Delaware corporation and our securities trade on The Nasdaq Stock Market LLC, we believe we are a “covered corporation” within the meaning of the Inflation Reduction Act, and while not free from doubt, it is possible that the Excise Tax will apply to any redemptions of our stock effectuated after December 31, 2022, including redemptions in connection with an initial business combination and any amendment to our certificate of incorporation to extend the time to consummate an initial business combination, unless an exemption is available or the fair market value of stock repurchased or redeemed is offset by other equity issuances occurring within the same taxable year of such redemptions. Consequently, the value of your investment in our securities may be affected as a result of the Excise Tax. Further, the application of the Excise Tax in the event of a liquidation is uncertain absent further guidance.

Risks Related to Our Conduct of Business on the Internet

Cybersecurity threats and other security incidents continue to increase in frequency and sophistication. Cybersecurity attacks have occurred and future attacks could occur. Such cybersecurity attacks have resulted in, and in the future could result in, the interruption or disruption our information technology systems and the loss of proprietary data, which could disrupt our business, force us to incur excessive costs, interfere with our operations, expose us to legal and other liabilities, negatively impact our sales, cause reputational harm and other serious negative consequences, any or all of which could materially harm our business.

The size and complexity of our information systems make such systems potentially vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees or vendors, or from intentional attacks by malicious third parties. Such attacks are increasingly sophisticated and are made by groups and individuals with a wide range of motives and expertise. We may also experience security breaches that may remain undetected for an extended period and, therefore, have a greater impact on our systems, our products, the proprietary data contained therein, our customers and, ultimately, our business. In addition, our ability to defend against and mitigate cyberattacks depends in part on prioritization decisions that we and third parties upon whom we rely make to address vulnerabilities and security defects. While we have invested in the protection of data and information technology, there can be no assurance that our efforts will prevent or quickly identify service interruptions or security breaches. Further, while we endeavor to address all identified vulnerabilities in our information systems, we must make determinations as to how we prioritize developing and deploying the respective fixes, and we may be unable to do so prior to an attack.

Cyberattacks and other security incidents have, and in the future could, (a) adversely affect our business operations, (b) result in the loss of critical or sensitive confidential information or intellectual property, and (c) result in financial, legal, business and reputational harm to us, including loss of business, decreased sales, severe reputational damage adversely affecting current and prospective customer, employee or vendor relations and investor confidence, U.S. or foreign regulatory investigations and enforcement actions, litigation, indemnity obligations, damages for contractual breach, penalties for violation of applicable laws or regulations, including laws and regulations in the United States and other jurisdictions relating to the collection, use and security of user and other personally identifiable information and data, significant costs for remediation, impairment of our ability to protect our intellectual property, stock price volatility and other significant liabilities. Further, our steps taken to secure our informational systems, adapt and enhance our software development and ensure the security and integrity of the informational systems may not be successful or sufficient to protect against cyberattacks and our cyber liability insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems.

Our software solutions are deployed through cloud-based implementations, and if such implementations are compromised by data security breaches or other disruptions, our reputation could be harmed, and we could lose customers or be subject to significant liabilities.

Our software solutions typically are deployed in cloud-based environments, in which our products and associated services are made available using an internet-based infrastructure. In cloud deployments, the infrastructure of our customers’ third-party service providers may be vulnerable to hacking incidents, other security breaches, computer viruses, telecommunications failures, power loss, other system failures and similar disruptions. Any of these occurrences, whether intentional or accidental, could lead to interruptions, delays or cessation of operation of the servers of our customers’ third-party service providers, and to the unauthorized use or access of our software and proprietary information and sensitive or confidential data stored or transmitted by our products. The inability of our customers’ service providers to provide continuous access to their hosted services, and to secure their hosted services and associated customer information from unauthorized use, access or disclosure, could cause us to lose customers and to incur significant liability, and could harm our reputation, business, financial condition and results of operations.

We face risks in the transmittal of individual health-related and other personal information.

We face potential risks and financial liabilities associated with obtaining and transmitting personal account information that includes social security numbers and individual health-related information. Any significant breakdown,

invasion, destruction, or interruption of our information technology systems and infrastructure by employees, others with authorized access to our systems, or unauthorized persons could negatively affect operations. There can be no assurance that we will not be subject to cyber security incidents that bypass our security measures, result in the loss or theft of personal health information or other data subject to privacy laws, or disrupt our information systems or business.

No personally identifiable information (“PII”) from our U.S. systems is provided to an international entity or a third party. To protect information as well as our technology and intellectual property from compromise or theft, the Company employs internal security controls, is subject to regular third-party security audits, complies with external information control mandates such as General Data Protection Regulations (“GDPR”), New York Department of Financial Services (“NYDFS”), California Consumer Privacy Act (“CCPA”), to name a few, has disaster recovery and backup readiness plans in place, utilizes critical endpoint 24 x 7 third-party monitoring and a 24 x 7 network operations center, and is subject to governance audits such as System and Organization Controls (SOC2) audits and Sarbanes Oxley (SOX) IT audits. Any international Company employees who have access to U.S. data for development/maintenance purposes are governed by stringent data access policies supported by Virtual Private Networks (“VPNs”) and Firewalls, classified employee programs, data transmission monitoring tools (including data encryption), which together encompass critical parts of the Ebix CyberSecurity program that is based on International Organization of Standardization (“ISO”) security standards. Additionally, all employees that are involved with processing transactions involving PII are required annually to complete Health Insurance Portability and Accountability Act (“HIPAA”) and Graham-Leach-Bliley Act (“GLBA”) compliance training. While we have invested in the protection of our data and information technology to reduce these risks, there can be no assurance that our efforts will prevent breakdowns or breaches in our systems. Additionally, the controls implemented by third-party service providers may not prevent or timely detect such system failures. Our property and business interruption insurance coverage may not be adequate to fully compensate us for losses that may occur. The consequences of the outlined risk above would include damage to our reputation and additional costs to address and remediate any problems encountered, as well as litigation and potential financial penalties.

Any disruption of our internet connections could affect the success of our internet-based products and services.

Any system failure, including network, software or hardware failure, that causes an interruption in our network or a decrease in the responsiveness of our website could result in reduced user traffic and reduced revenue. Continued growth in internet usage could cause a decrease in the quality of internet connection service. Websites have experienced service interruptions as a result of outages and other delays occurring throughout the worldwide internet network infrastructure. If these outages, delays or service disruptions frequently occur in the future, usage of our web-based services could grow slower than anticipated or decline and we may lose revenues and customers. If the internet data center operations that host any of our websites or web-based services were to experience a system failure, the performance of our website or web-based services would be harmed. These systems are also vulnerable to damage from fire, floods, and earthquakes, acts of terrorism, power loss, telecommunications failures, break-ins and similar events. The controls implemented by our third-party service providers may not prevent or timely detect such system failures. Our property and business interruption insurance coverage may not be adequate to fully compensate us for losses that may occur. In addition, our users depend on internet service providers, online service providers and other website operators for access to our website. These providers could experience outages, delays and other difficulties due to system failures unrelated to our systems.

Consumer fraud could adversely affect our business, financial condition and results of operations.

Malicious third parties are using increasingly sophisticated methods to engage in illegal activities such as identity theft, fraud and paper instrument counterfeiting. As we make more of our services available over the internet and other digital media, we subject ourselves to new types of consumer fraud risk due to more complex requirements relating to consumer authentication with internet services. Additionally, the COVID-19 pandemic has led to increased cyber and payment fraud risk, as cybercriminals attempt to profit from the disruption, given increased online banking, e-commerce and other online activity. We use a variety of tools to protect against fraud; however, these tools may not always be successful. Allegations of fraud may result in fines, settlements, litigation expenses and reputational damage.

Our industry is under increasing scrutiny from federal, state and local regulators in the U.S. and regulatory agencies in many other countries in connection with the potential for consumer fraud. If consumer fraud levels involving our services were to rise, it could lead to further regulatory intervention and reputational and financial damage. This increased regulatory scrutiny, in turn, could lead to additional government enforcement actions and investigations, reduce the use, renewal and/or acceptance of our services or increase our compliance costs and, thereby, have a material adverse impact on our business, financial condition and results of operations.

Uncertainty in the marketplace regarding the use of internet users' personal information, or legislation limiting such use, could reduce demand for our services and result in increased expenses.

Concern among consumers and legislators regarding the use of personal information gathered from internet users could create uncertainty in the marketplace. This concern could reduce demand for our services, increase the cost of doing business as

a result of litigation costs or increased service delivery costs, or otherwise harm our business. Many state insurance codes limit the collection and use of personal information by insurance agencies, brokers and carriers or insurance service organizations.

Risks Related To Foreign Operations

Our international operations are subject to a number of risks that could affect our revenues, operating results, and growth.

We market our products and services internationally and plan to continue to expand our internet-based services to locations outside of the U.S. We currently conduct operations in Australia, Canada, New Zealand, Brazil, Dubai, India, Indonesia, New Zealand, the Philippines, Singapore, the United Arab Emirates, and the U.K., have product development activities in India, Singapore and Dubai and perform call center services in India. Our international operations are subject to other inherent risks which could have a material adverse effect on our business, including:

- the impact of recessions in foreign economies on the level of consumers' insurance shopping, financial transactions and purchasing behavior;
- greater difficulty in collecting accounts receivable;
- difficulties and costs of staffing and managing foreign operations;
- reduced protection for intellectual property rights in some countries;
- burdensome regulatory requirements;
- trade and financing barriers, and differing business practices;
- potentially adverse tax consequences; and
- economic instability or political unrest such as crime, strikes, riots, civil disturbances, terrorist attacks and wars.

A substantial portion of our assets and operations are located outside of the U.S., and we are subject to regulatory, tax, economic, political and other uncertainties in other foreign countries in which we operate.

We have significant offshore operations in foreign countries, including Australia, Brazil, Canada, Dubai, India, Indonesia, New Zealand, Singapore, the Philippines, the United Arab Emirates and the U.K. Wages in these countries have historically increased at a faster rate than in the U.S. The continuation of this trend in the future will result in increased labor costs that could potentially reduce our operating margins. Also, there is no assurance that in future periods competition for skilled workers will not drive salaries higher in these countries, thereby resulting in increased costs for our technical professionals and potentially reduced operating margins.

In fiscal year 2021 and 2022, we continued to experience negative impacts from the COVID-19 crisis, particularly related to the impact of labor shortages and wage inflation due in part to a certain portion of the workforce not returning to the labor market in many industries, increased demand for technology personnel as COVID-19 impacts on the global economy decreased, as well as market concerns about the COVID-19 variants. Any significant weakening of the economy in foreign countries in which we operate, including the worsening of the ongoing labor shortage, continued wage inflation, and increased employee attrition, as well as the ongoing uncertainty related to the pandemic, may adversely impact our business.

Some of these countries have experienced problems that commonly confront the economies of developing countries, including high inflation, erratic gross domestic product growth and shortages of foreign exchange. Government actions concerning these countries' economies could have a material adverse effect on private sector entities like us. In the past, certain governments have provided significant tax incentives and relaxed certain regulatory restrictions to encourage foreign investment in specified sectors of the economy, including the software development services industry. Programs that have benefited us include, among others, tax holidays, liberalized import and export duties and preferential rules on foreign investment and repatriation. Notwithstanding these benefits, as noted above, changes in government leadership or changes in policies in these countries that result in the elimination of any of the benefits realized by us or the imposition of new taxes applicable to such operations could have a material adverse effect on our business, results of operations and financial condition.

Our international business activities and processes expose us to numerous and often conflicting laws and regulations, policies, standards or other requirements and sometimes even conflicting regulatory requirements, and to risks that could harm our business, financial position, profit, and cash flows.

We are a global company and currently market our products and services in Australia, Brazil, Canada, India, Indonesia, New Zealand, the Philippines, Singapore, the United Arab Emirates, the U.K. and the U.S., amongst other countries. Additionally, we currently sell to customers that reside in over 70 countries all over the world. Our business in foreign countries is subject to numerous risks inherent in international business operations. Among others, these risks include:

- data protection and privacy regulations regarding access by government authorities to customer, partner, or employee data;

- data residency requirements (the requirement to store certain data only in and, in some cases, also to access such data only from within a certain jurisdiction);
- conflict and overlap among tax regimes;
- possible tax constraints impeding business operations in certain countries;
- expenses associated with the localization of our products and compliance with local regulatory requirements;
- discriminatory or conflicting fiscal policies;
- operational difficulties in countries with a high corruption perception index;
- works councils, labor unions, and immigration laws in different countries;
- difficulties enforcing intellectual property and contractual rights in certain jurisdictions;
- country-specific software certification requirements;
- compliance with various industry standards; and
- market volatilities or workforce restrictions due to changing laws and regulations resulting from political decisions (e.g. Brexit, government elections, governmental sanctions).

As we expand into new countries and markets, these risks could intensify. The application of the respective local laws and regulations to our business is sometimes unclear, subject to change over time, and often conflicting among jurisdictions. Compliance with these varying laws and regulations could involve significant costs or require changes in products or business practices. Non-compliance could result in the imposition of penalties or cessation of orders due to alleged non-compliant activity. We do not believe we have engaged in any activities sanctionable under these laws and regulations, but governmental authorities could use considerable discretion in applying these statutes and any imposition of sanctions against us could be material. One or more of these factors could have an adverse effect on our operations globally or in one or more countries or regions, which could have an adverse effect on our business, financial position, profit, and cash flows.

We conduct money transfer transactions in some regions that are politically and economically volatile, which could increase our cost of operating in those regions.

We conduct money transfer transactions in some regions that are politically volatile and economically unstable, which could increase our cost of operating in those regions. For example, it is possible that our money transfer services or other products could be used in contravention of applicable law or regulations. Such circumstances could result in increased compliance costs, regulatory inquiries, suspension or revocation of required licenses or registrations, seizure or forfeiture of assets and the imposition of civil and/or criminal fees and penalties, inability to settle due to currency restrictions or volatility, or other restrictions on our business operations. In addition to monetary fines or penalties that we could incur, we could be subject to reputational harm that could have a material adverse effect on our business, financial condition and results of operations.

A significant change or disruption in international migration patterns could adversely affect our business, financial condition and results of operations.

Our money transfer business relies in part on international migration patterns, as individuals move from their native countries to countries with greater economic opportunities or a more stable political environment and significant changes in international migration patterns could adversely affect our business, financial condition and results of operations. A significant portion of money transfer transactions are initiated by immigrants or refugees sending money back to their native countries. Changes in immigration laws that discourage international migration and political or other events (such as war, trade wars, terrorism or health emergencies) that make migration of work abroad more difficult could adversely affect our money transfer remittance volume or growth rate.

Additionally, sustained weakness in global economic conditions caused by COVID-19 could reduce economic opportunities for migrant workers and result in reduced or disrupted international migration patterns. Reduced or disrupted international migration patterns could reduce money transfer transaction volumes and therefore have an adverse effect on our business, financial condition and results of operations.

Our earnings may be adversely affected if we change our intent not to repatriate foreign earnings or if such earnings become subject to U.S. tax on a current basis.

We have earnings outside of the U.S. Other than amounts for which we have already accrued U.S. taxes, we consider foreign earnings to be indefinitely reinvested outside of the U.S. While we have no plans to do so, events may occur that could effectively force us to change our intent not to repatriate such earnings. If such earnings are repatriated in the future or are no longer deemed to be indefinitely reinvested, we may have to accrue taxes associated with such earnings at a substantially higher rate than our projected effective income tax rate, and we may be subject to additional tax liabilities in certain foreign

jurisdictions in which we operate. These increased taxes could have a material adverse effect on our business, results of operations and financial condition.

New legislation that would change U.S. or foreign taxation of business activities, including the imposition of tax based on gross revenue, could harm our business and financial results.

Reforming the taxation of international businesses has been a priority for some U.S. politicians, and a wide variety of changes have been proposed or enacted. Due to the large and expanding scale of our international business activities, any changes in the taxation of such activities may increase our tax expense, the amount of taxes we pay, or both, and could harm our business and financial results. For example, the Tax Cuts and Jobs Act (the “TCJA”), was enacted in December 2017, significantly reformed the U.S. Internal Revenue Code of 1986, as amended (the “Code”). The TCJA lowered U.S. federal corporate income tax rates, changed the utilization of future net operating loss carryforwards, allowed for the expensing of certain capital expenditures, and put into effect sweeping changes to U.S. taxation of international business activities. The U.S. also enacted the IRA in August 2022, which includes a new corporate alternative minimum tax, beginning in fiscal 2024, of 15% on the global adjusted financial statement income (“AFSI”) of corporations with average AFSI exceeding \$1.0 billion over a three-year period and an excise tax of 1% tax on the fair market value of net stock repurchases made after December 31, 2022. We are evaluating the Corporate AMT and its potential impact on our future U.S. tax expense, cash taxes, and effective tax rate, as well as any other impacts the Inflation Reduction Act may have on our financial position and results of operations. In addition, it is possible that the U.S. Congress could advance other tax legislation proposals in the future that could have a material impact on our tax rate.

In addition, many jurisdictions and intergovernmental organizations have been discussing proposals that may change various aspects of the existing framework under which our tax obligations are determined in many of the countries in which we do business. Some jurisdictions have enacted, and others have proposed, taxes based on gross receipts applicable to digital services regardless of profitability. The Organization for Economic Co-operation and Development (the “OECD”) has been working on a proposal that may change how taxable presence for digital services is defined and result in the imposition of taxes based on net income in countries where we have no physical presence. We continue to examine the impact these and other tax reforms may have on our business. The impact of these and other tax reforms is uncertain and one or more of these or similar measures may adversely affect our business.

Our tax expense and liabilities are also affected by other factors, such as changes in our business operations, acquisitions, investments, entry into new businesses and geographies, intercompany transactions, the relative amount of our foreign earnings, losses incurred in jurisdictions for which we are not able to realize related tax benefits, the applicability of special tax regimes, and changes in foreign currency exchange rates. Significant judgment is required in evaluating and estimating our tax expense and liabilities. In the ordinary course of our business there are many transactions and calculations for which the ultimate tax determination is uncertain. The U.S. Treasury Department, the IRS, and other standard-setting bodies will continue to interpret or issue guidance on the application and administration of the Tax Act. As future guidance is issued, we may make adjustments to amounts that we have previously recorded that may materially impact our financial statements in the period in which the adjustments are made.

We may have exposure to greater than anticipated tax liabilities.

Our future income taxes could be adversely affected by lower than anticipated earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated earnings in jurisdictions where we have higher statutory tax rates, by changes in the valuation of our deferred tax assets and liabilities, or due to changes in tax laws, regulations, and income tax accounting principles in the domestic and foreign jurisdictions in which we operate. We are subject to regular review and audit by both domestic and foreign tax authorities. Any adverse outcome of such a review or audit could have a negative effect on our operating results and financial condition. In addition, the determination of our worldwide provision for income taxes requires significant judgment, and there are some transactions for which the ultimate tax treatment is uncertain. Although we believe our estimates are reasonable and appropriate, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made. The tax rates in the foreign jurisdictions in which the Company operates could increase and have a significant impact on the Company's financial results.

Changes in tax laws or tax rulings could materially affect our financial position, results of operations, and cash flows.

The income and non-income tax regimes we are subject to or operate under are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially affect our financial position, results of operations, and cash flows. For example, changes to U.S. tax laws enacted in December 2017 had a significant impact on our tax obligations and effective tax rate upon implementation. The Inflation Reduction Act of 2022 enacted in August 2022, includes a new corporate alternative minimum tax, beginning in fiscal 2024, of 15% on the global adjusted financial statement income of corporations with average AFSI exceeding \$1.0 billion over a three-year period and an excise tax of 1% tax on the fair market value of net stock repurchases made after December 31, 2022. In addition, many

countries in Europe, as well as a number of other countries and organizations, have recently proposed or recommended changes to existing tax laws or have enacted new laws that could significantly increase our tax obligations in many countries where we do business or require us to change the manner in which we operate our business. The OECD has been working on a Base Erosion and Profit Shifting Project, issued in 2015, and is expected to continue to issue guidelines and proposals that may change various aspects of the existing framework under which our tax obligations are determined in many of the countries in which we do business. The European Commission has conducted investigations in multiple countries, focusing on whether local country tax rulings or tax legislation provides preferential tax treatment that violates E.U. state aid rules and concluded that certain countries, including Ireland, have provided illegal state aid in certain cases. These investigations may result in changes to the tax treatment of our foreign operations. Due to the large and expanding scale of our international business activities and expiring tax holiday benefits, many of these types of changes to the taxation of our activities could increase our worldwide effective tax rate and harm our financial position, results of operations, and cash flows.

Our financial position and operating results may be adversely affected by the changing U.S. Dollar rates and fluctuations in other currency exchange rates.

We will be exposed to currency exchange risk with respect to the U.S. dollar in relation to the foreign currencies in the countries where we conduct operations because a significant portion of our operating expenses are incurred in foreign countries. This exposure may increase as we expand in foreign countries.

The rapid spread of contagious illnesses such as COVID-19 can have an adverse effect on our business and results of operations.

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic. Since then, the outbreak of COVID-19 throughout the world, including North America, Europe and Asia, has adversely impacted the U.S. and global economies. We have experienced and expect to continue to experience negative impacts to our business due to COVID-19. Governmental authorities and public health officials recommended and mandated varying countermeasures to slow the outbreak, including shelter-in-place orders, restrictions on travel, and the closure of local government facilities and parks, schools, restaurants, many businesses and other locations of public assembly.

Although the impact of COVID-19 is diminishing, there could be other pandemics or epidemics that could affect our business. The rapid spread of a contagious illness such as COVID-19, or fear of such an event, can have a material adverse effect on the demand for worldwide travel and therefore have an adverse effect on our business and results of operations. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses in a part of the world in which we have significant operations may have an adverse effect on our business and results of operations.

Risks Related To Corporate Governance

Principal shareholders may be able to exert control over our future direction and operations.

If our principal shareholders and the holdings of entities controlled by them vote in the same manner, this could delay, prevent or facilitate a change in control of Ebix or other significant changes to Ebix or its capital structure. Refer to the disclosure regarding “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” in our annual proxy statement for more information.

Provisions in our articles of incorporation, bylaws, and Delaware law may make it difficult for a third party to acquire us, even in situations that may be viewed as desirable by our shareholders.

Our certificate of incorporation and bylaws, and the provisions of Delaware law may delay, prevent or otherwise increase the difficulty of our acquisition by means of a tender offer, a proxy contest, open market purchases, removal of incumbent directors and otherwise. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids, and to encourage persons seeking to acquire control of us to first negotiate with us. We are subject to the “business combination” provisions of Section 203 of the Delaware General Corporation Law. In general, those provisions prohibit a publicly held Delaware corporation from engaging in various “business combination” transactions with any interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the transaction is approved by the board of directors prior to the date the interested stockholder obtained interested stockholder status;
- upon consummation of the transaction that resulted in the stockholder's becoming an interested stockholder, the stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

- on or subsequent to the date the business combination is approved by the board of directors, it is authorized at an annual or special meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

These provisions could prohibit or delay mergers or other takeover or change of control attempts with respect to us and, accordingly, may discourage attempts to acquire us.

The Company has an Amended SAR Agreement with Mr. Robin Raina which could have the effect of discouraging or making more difficult an acquisition or change of control of the Company even in situations that may be viewed as desirable by our shareholders.

On April 10, 2018, the Company entered into a Stock Appreciation Right Award Agreement, which was amended on May 7, 2019 (the “Amended SAR Agreement”) with Robin Raina, the Company’s Chairman, President and Chief Executive Officer. The Amended SAR Agreement replaced the Acquisition Bonus Agreement (the “ABA”) between the Company and Mr. Raina, dated July 15, 2009. At the time that Mr. Raina and the Company entered into the ABA, the Board had concluded that Mr. Raina’s retention was critical to the future success and growth of the Company and, consequently, the Board’s intention in entering into the ABA was to ensure that Mr. Raina would be appropriately rewarded for his contributions to the Company prior to an Acquisition Event (as defined below), as well as to further motivate Mr. Raina to maximize the value received by all stockholders if the Company were to be acquired. The Amended SAR Agreement also recognizes Mr. Raina’s critical role in the future success and growth of the Company.

Upon the effective date of the original SAR Agreement, Mr. Raina received 5,953,975 stock appreciation rights with respect to the Company’s common shares (the “SARs”). Upon an Acquisition Event (as defined in the Amended SAR Agreement), each of the SARs entitles Mr. Raina to receive a cash payment from the Company equal to the excess, if any, of the net proceeds per share received in connection with an Acquisition Event over the base price of \$7.95. Mr. Raina will only be entitled to receive a payment with respect to the SARs if he is employed by the Company at the time of an Acquisition Event or was terminated by the Company without cause within the 180-day period immediately preceding an Acquisition Event. The Amended SAR agreement further provides that if an Acquisition Event occurs more than 180 days after, but not later than the tenth anniversary of, the date that Mr. Raina’s employment is involuntarily terminated by the Company without Cause (as defined in the Amended SAR Agreement), 1,000,000 SARs will be deemed accrued and will be eligible to vest on the closing date of the Acquisition Event, which number will be increased by 750,000 SARs beginning on the first anniversary of the effective date of the Amended SAR Agreement and each anniversary thereafter (subject in each case to Mr. Raina’s continued employment on each anniversary date), until 100% of the SARs (including any Shortfall Grants) have accrued and are eligible to vest on the closing date of an Acquisition Event that occurs more than 180 days after, but not later than the tenth anniversary of, the date that Mr. Raina’s employment is involuntarily terminated by the Company without Cause; provided, however, that, (i) no additional SARs will accrue following the date that Mr. Raina’s employment is involuntarily terminated by the Company without Cause, (ii) any accrued SARs will be forfeited if an Acquisition Event does not occur prior to the tenth anniversary of the date that Mr. Raina’s employment is involuntarily terminated by the Company without Cause, and (iii) all of the SARs will be forfeited if Mr. Raina’s employment terminates for any other reason prior to the closing date of an Acquisition Event.

Annually, while Mr. Raina is employed by the Company and prior to an Acquisition Event, the Board shall determine whether a “shortfall” (as defined in the SAR Agreement) existed as of the end of the immediately preceding fiscal year. In the event the Board determines that a shortfall existed, Mr. Raina will be granted additional SARs (or, in the Board’s sole discretion, restricted shares or restricted stock units (each a “Share Grant”)) in an amount sufficient to eliminate such shortfall (each a “Shortfall Grant”). A “shortfall” will exist if the number of Mr. Raina’s shares is less than 20% of the total of (a) the number of SARs, plus (b) the number of outstanding shares reported by the Company in its audited consolidated financial statements as of the end of the immediately preceding fiscal year, minus (c) the number of shares paid, awarded or otherwise received by Mr. Raina from the Company as compensation after April 10, 2018, including any shares received as a result of Mr. Raina exercising stock options granted after April 10, 2018 or the grant or vesting of restricted stock or settlement of RSUs granted to Mr. Raina after April 10, 2018, but excluding any shares received as a result of the grant, vesting or settlement of any Share Grants.

In the event that an Acquisition Event had occurred on December 31, 2022, and assuming that the stockholders of the Company received net proceeds of \$19.96 per share (the closing price of the Company’s common stock on December 30, 2022) in connection with the Acquisition Event, Mr. Raina would have received a \$71.5 million payment with respect to the SARs upon the occurrence of the Acquisition Event, determined by multiplying the number of SARs by the excess of the Net Proceeds per share over the base price of \$7.95 per share.

Risks Related To Accounting and Financial Statements

We could potentially be required to recognize an impairment of goodwill or other indefinite-lived intangible assets which could impact earnings for future periods.

We carry a significant amount of goodwill and identifiable intangible assets on our consolidated balance sheets. Goodwill represents the excess of the amounts paid by us to acquire businesses over the fair value of their net assets at the date of acquisition. The Company's indefinite-lived assets are associated with the contractual customer relationships existing with those property and casualty insurance carriers in Australia using our property and casualty data exchange. At December 31, 2022, we had \$881.7 million of goodwill and \$16.6 million of indefinite-lived intangible assets carried on the Company's consolidated balance sheet. See Note 1 to the consolidated financial statements for a discussion of our goodwill and indefinite-lived intangible assets. We evaluate goodwill and indefinite-lived intangible assets at least annually for any potential impairment. We have concluded that there was no impairment of goodwill, indefinite-lived or definite-lived intangibles in 2022. If we determine that a significant impairment has occurred in the value of our intangible assets, right of use assets or fixed assets for any reason, including related to the disruption of business caused by COVID-19 in 2022 or beyond, we could be required to write down the goodwill and indefinite-lived intangible assets by the amount of the impairment, with a corresponding charge to net income. These write downs could have a material adverse effect on our results of operations and financial condition.

If we fail to maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial results, which could harm our business and the market value of our common shares.

Effective internal controls over financial reporting are necessary for us to provide reliable and accurate financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX") requires us to evaluate and report on the effectiveness of our internal controls over financial reporting and have our independent auditors issue their own opinion regarding the effectiveness of our internal control over financial reporting and related disclosures. While we continually undertake efforts to maintain an effective system of internal controls and compliance with SOX, we cannot always be certain that we will be successful in maintaining adequate control over our financial reporting and related financial processes. Furthermore, as we grow our business, our internal control structure may become more complex, and could possibly require significantly more resources to ensure our internal controls remain effective. If we or our independent auditors discover a material weakness or significant deficiency in our controls over financial reporting, the disclosure of that fact, even if immediately remedied, could significantly reduce the market value of our common stock. In addition, the existence of any material weakness or significant deficiency may require management to devote significant time and incur significant expense to remediate any such weaknesses, and management may not be able to remediate the same in a timely manner.

Any deficiencies in our internal controls over financial reporting, including those identified through testing conducted by us or subsequent testing by our independent registered public accounting firm could cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. If we are unable to meet the demands that have been placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act, we may be unable to accurately report our financial results in future periods, or report them within the timeframes required by law or stock exchange regulations. Failure to comply with the Sarbanes-Oxley Act, when and as applicable, could also potentially subject us to sanctions or investigations by the SEC or other regulatory authorities. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in material weaknesses or significant deficiencies, cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed and investors could lose confidence in our reported financial information.

The nature of our business requires the application of complex revenue and expense recognition rules that require management to make estimates and assumptions. Additionally, the current legislative and regulatory environment affecting U.S. Generally Accepted Accounting Principles ("GAAP") is uncertain and significant changes in current principles could affect our financial statements going forward.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenues and expenses that are not readily apparent from other sources.

While we believe that our financial statements have been prepared in accordance with GAAP, we cannot predict with certainty the impact of future changes to accounting principles or our accounting policies on our financial statements going forward. In addition, were we to change our critical accounting estimates, including the timing of recognition of license revenue and other revenue sources, our reported revenues and results of operations could be significantly impacted. Additionally, the accounting rules and regulations that we must comply with are complex. The Financial Accounting Standards Board (the "FASB") and the SEC, or other accounting organizations or governmental entities frequently issue new pronouncements or new interpretations of existing accounting standards. Recent actions and public comments from the FASB and the SEC have focused

on the integrity of financial reporting. In addition, many companies' accounting policies are being subject to heightened scrutiny by regulators and the public. Changes in accounting standards, how the accounting standards are interpreted, or the adoption of new accounting standards, particularly concerning revenue recognition, can have a significant effect on our reported results, and could even retroactively affect previously reported transactions and financial statements, and may require that we make significant changes to our systems and operational policy, processes and controls.

Further, the accounting rules and regulations are continually changing in ways that could materially impact our financial statements. Changes resulting from these new standards may result in materially different financial results and may require that we change how we process, analyze and report financial information and that we change financial reporting controls. Such changes in accounting standards may have an adverse effect on our business, financial position, and income, which may negatively impact our financial results.

Risks Related to Litigation and Regulation

We may be exposed to risks relating to the resignation of our prior registered public accounting firm.

As previously disclosed by the Company in its Current Report on Form 8-K filed with the SEC on February 19, 2021 (the "February 19 8-K"), on February 15, 2021, the Company received notice from its registered public accounting firm, RSM, that RSM resigned effective immediately. As further described in the February 19, 2021 8-K, RSM informed the Company that it was "resigning as a result of being unable, despite repeated inquiries, to obtain sufficient appropriate audit evidence that would allow it to evaluate the business purpose of significant unusual transactions that occurred in the fourth quarter of 2020, including whether such transactions have been properly accounted for and disclosed in the financial statements subject to the Audit."

As a result, there have been approximately five derivative and class action lawsuits filed with respect to the Company based on the RSM resignation. These lawsuits are described in "Part I, Item 3 - Legal Proceedings" and "Part II - Item 8. Financial Statements and Supplementary Data - Note 5 - Commitments and Contingencies" of this Report. We cannot predict the outcome of these lawsuits. Further, regardless of how these matters proceed, it could divert our management's attention and other resources away from our business.

The costs and effects of litigation, investigations or similar matters involving us or our subsidiaries, or adverse facts and developments related thereto, could materially affect our business, operating results and financial condition. Our insurance may not cover these costs.

We may be involved from time to time in a variety of litigation, investigations, inquiries or similar matters arising out of our business, including those described in "Part I, Item 3 - Legal Proceedings" and "Part II - Item 8. Financial Statements and Supplementary Data - Note 5 - Commitments and Contingencies" of this Report. We cannot predict the outcome of these or any other legal matters. In the future, we may need to record litigation reserves with respect to these matters. Further, regardless of how these matters proceed, it could divert our management's attention and other resources away from our business. Our insurance may not cover all claims that may be asserted against us and indemnification rights to which we are entitled may not be honored, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. Should the ultimate judgments or settlements in any litigation or investigation significantly exceed our insurance coverage, they could have a material adverse effect on our business, financial condition and results of operations. In addition, premiums for insurance covering directors' and officers' liability are rising. We may not be able to obtain appropriate types or levels of insurance in the future, nor may we be able to obtain adequate replacement policies with acceptable terms or at historic rates, if at all.

Government investigations may require significant management time and attention, result in significant legal expenses or damages and cause the Company's business, financial condition, results of operations and cash flows to suffer. The Company could face additional governmental investigations, could incur substantial costs to defend any such investigations and be required to pay damages, fines and penalties, or incur additional expenses or be subject to injunctions as a result of the outcome of such investigations. The unfavorable resolution of one or more matters could adversely impact the Company.

The Company has been subject to government investigations in the past and may be subject to new government investigations in the future. The amount of time needed to resolve any such investigations is uncertain, and the Company cannot predict the outcome of any such investigations. Subject to certain limitations, the Company is obligated to indemnify current and former directors, officers and employees in connection with any such governmental investigations, inquiries, or actions. Such matters could require the Company to expend significant management time and incur significant legal and other expenses, result in civil and criminal actions seeking, among other things, injunctions against the Company and the payment of significant fines and penalties by the Company and adversely affect our ability to attract and retain customers and employees, which could have a material effect on the Company's financial condition, business, results of operations and cash flow. Additionally, marketplace rumors regarding any such investigations could affect the trading price of our common stock, regardless of whether these rumors are accurate.

If governmental authorities were to commence legal action related to any such investigations, then the Company could be required to pay significant penalties and could become subject to injunctions, a cease and desist order and other equitable remedies. The Company can provide no assurances as to the outcome of any such governmental investigation.

Federal Trade Commission laws and regulations that govern the insurance industry could expose us or the agents, brokers and carriers with whom we conduct business in our online marketplace to legal penalties.

We perform functions for licensed insurance agents, brokers and carriers and need to comply with complex regulations that vary among states and nations. These regulations can be difficult to comply with, and open to interpretation. If we fail to properly interpret or comply with these regulations, we, the insurance agents, brokers or carriers doing business with us, our officers, or agents with whom we contract could be subject to various sanctions, including censure, fines, cease-and-desist orders, loss of license or other penalties. This risk, as well as other laws and regulations affecting our business and changes in the regulatory climate or the enforcement or interpretation of existing law, could expose us to additional costs, including indemnification of participating insurance agents, brokers or carriers, and could require changes to our business or otherwise harm our business. Furthermore, because the application of online commerce to the consumer insurance market is relatively new, the impact of current or future regulations on our business is difficult to anticipate. To the extent that there are changes in regulations regarding the manner in which insurance is sold, our business could be adversely affected.

Potential liabilities under the Foreign Corrupt Practices Act ("FCPA") could have a material adverse effect on our business.

We are subject to the FCPA, which prohibits people or companies subject to U.S. jurisdiction and their intermediaries from engaging in bribery or other prohibited payments to foreign officials for the purposes of obtaining or retaining business or gaining an unfair business advantage. It also requires proper record keeping and characterization of such payments in reports filed with the SEC. Our international operations subject us to possible FCPA violations, likely more so than most companies. To the extent that any of our employees, suppliers, distributors, consultants, subcontractors, or others engage in conduct that subjects us to exposure under the FCPA, or other anti-corruption legislation, we could suffer financial penalties, debarment from government contracts and other consequences that may have a material adverse effect on our business, financial condition or results of operations.

Risks Related To Our Common Stock

The price of our common stock may be extremely volatile.

In a future period, our results of operations may be below the expectations of public market investors, which could negatively affect the market price of our common stock. Furthermore, the stock market in general has experienced heightened price and volume fluctuations recently. We believe that, in the future, the market price of our common stock could fluctuate widely due to variations in our performance and operating results or because of any of the following factors:

- announcements of new services, products, or technological innovations, or strategic relationships by us or our competitors;
- announcements of business acquisitions or strategic relationships by us or our competitors;
- trends or conditions in the insurance, financial services, software, business process outsourcing and internet/e-commerce markets;
- changes in market valuations of our competitors; and
- general political, economic, regulatory and market conditions.

In addition, the market prices of securities of technology companies, including our own, have been volatile and have experienced fluctuations that have often been unrelated or disproportionate to a specific company's operating performance. As a result, investors may not be able to sell shares of our common stock at or above the price at which an investor paid. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. Any securities litigation would involve substantial costs and our management's attention could be diverted from our business.

Our ability and intent to pay cash dividends in the future may be limited.

Historically the Company has paid a \$0.075 quarterly dividend on our common shares, and while the Board of Directors intends to pay quarterly dividends in the future, the Board will make the determination of the timing and amount of future cash dividends, if any, to be declared and paid based on, among other things, our financial condition, funds from operations, the level of our capital expenditures and future business prospects.

Quarterly and annual operating results may fluctuate, which could cause our stock price to be volatile.

Our quarterly and annual operating results may fluctuate significantly in the future due to a variety of factors related to our revenues or operating expenses in any particular period. Results of operations during any particular period are not necessarily an indication of our results for any other period. Factors that may adversely affect our periodic results may include the loss of a significant insurance agent, carrier or broker relationship or the merger of any of our participating insurance carriers with one another. Our operating expenses are based in part on our expectations of our future revenues and are partially fixed in the short term. We may be unable to adjust spending quickly enough to offset any unexpected revenue shortfall.

1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The Company's corporate headquarters, including substantially all of our corporate administration functions, is located in Johns Creek, Georgia where we own a commercial office building. In addition the Company and its subsidiaries lease office space in Salt Lake City, Utah and Pasadena, California, but the Company has no employees onsite at either location. The Company leases office space in New Zealand, Australia, Singapore, Dubai, Brazil, Canada, Indonesia, the Philippines, and the U.K. for support, operations and sales offices. The Company also leases approximately 85 facilities across India, while owning six facilities in India. Management believes its facilities are adequate for its current needs and that necessary suitable additional or substitute space will be available as needed at reasonable rates.

Information on the geographic dispersion of the Company's revenues and long-lived assets is furnished in Note 14 to the consolidated financial statements, included in Part II Item 8 of this Form 10-K.

Item 3. LEGAL PROCEEDINGS

On February 22, 2021, Christine Marie Teifke, a purported purchaser of Ebix securities, filed a putative class action in the United States District Court for the Southern District of New York, captioned Teifke v. Ebix, Inc., et. al., Case No. 1:21-cv-01589-JMF, on behalf of herself and others who purchased or acquired Ebix securities between November 9, 2020 and February 19, 2021. The complaint asserts claims against the Company, Robin Raina, and Steven M. Hamil ("Defendants"), for purported violations of Section 10(b) of the Securities Exchange Act of 1934, alleging that Ebix made false and misleading statements and failed to disclose material adverse facts about an audit of the company's gift card business in India and its internal controls over the gift and prepaid card revenue transaction cycle. The complaint alleges that Ebix's stock price fell as a result of the revelation that Ebix's independent auditor, RSM US LLP ("RSM"), had resigned, citing concerns with the company's internal controls and disagreements over other accounting issues. The complaint also asserts a claim against Robin Raina and Steven M. Hamil for purported violations of Section 20(a) of the Exchange Act arising out of the same facts. The complaint seeks, among other relief, damages and attorneys' fees and costs. On May 11, 2021, the court issued an order appointing Rahul Saraf, another purported purchaser of Ebix, Inc. securities, as lead plaintiff in the action, and the caption in the action was changed to Saraf v. Ebix, Inc., et. al., Case No. 1:21-cv-01589-JMF (the "Class Action").

On July 26, 2021, Lead Plaintiff filed an amended complaint in the Class Action, alleging similar violations of Sections 10(b) and 20(a) of the Exchange Act. On September 24, 2021, the Defendants moved to dismiss the amended complaint. On October 15, 2021, Lead Plaintiff filed a second amended complaint in the Class Action. Defendants moved to dismiss the second amended complaint and briefing on Defendants' motion concluded on November 19, 2021.

On September 30, 2022, the Court dismissed the second amended complaint in its entirety for failure to state a claim but granted plaintiff's request for leave to file a third amended complaint on or before October 31, 2022. On October 31, 2022, Lead Plaintiff filed a third amended complaint in the Class Action, once again alleging similar violations of Sections 10(b) and 20(a) of the Exchange Act. Defendants moved to dismiss the third amended complaint and briefing on Defendants' motion concluded on December 22, 2022. The parties await a decision from the Court on the motion. Defendants deny any liability and intend to defend the action vigorously.

On May 14, 2021, Javier Calvo, a purported shareholder of the Company, filed a derivative action in the United States District Court for the Southern District of New York on behalf of Ebix captioned Calvo v. Raina, et. al., Case No. 21-cv-4380-JMF (the "Calvo Action"), against individual defendants Robin Raina, Steven M Hamil, Hans U. Benz, Rolf Herter, Neil D.

Eckert, Pavan Bhalla, Hans Ueli Keller, and George W. Hebard, and nominal defendant Ebix asserting claims related to the RSM resignation. The complaint asserts claims of breach of fiduciary duty against all of the individual defendants, and also asserts claims under Sections 10(b) and 21D of the Securities Exchange Act of 1934 for contribution against Robin Raina and Steven M Hamil. On July 7, 2021, the court granted a stipulation and order staying the Calvo Action pending the resolution of any motion(s) to dismiss the Class Action.

On July 13, 2021, Peter Votto, another purported Ebix shareholder, filed an additional derivative action in the United States District Court for the Southern District of New York on behalf of Ebix, captioned Votto v. Raina, et. al., Case No. 21-cv-5982-JMF (the "Votto Action"), asserting claims against the same defendants as the Calvo Action. The complaint asserts claims relating to the RSM resignation against all of the individual defendants for breach of fiduciary duties, unjust enrichment, waste of corporate assets, and rescission under Section 29(b) of the Securities Exchange Act of 1934, and claims for contribution under Sections 10(b) and 21D of the Securities Exchange Act of 1934 against Robin Raina and Steven M Hamil. On July 23, 2021, the court granted a stipulation and order consolidating the Calvo and Votto Actions under the caption In re Ebix Shareholders Derivative Litigation, Case No. 21-cv-4380-JMF (the "Consolidated Derivative Action"). The July 7, 2021 order staying the Calvo Action pending the resolution of any motion(s) to dismiss the Class Action applied to the Consolidated Derivative Action. After the Court dismissed the Class Action but granted plaintiff leave to replead, the parties entered a stipulation agreeing to extend the stay of the Consolidated Derivative Action pending resolution of any motion to dismiss a third amended complaint in the Class Action. On October 20, 2022, the Court approved the stipulation staying the Consolidated Derivative Action.

On November 5, 2021, Daniel Lilienfeld, a purported shareholder of the Company, filed a derivative action in the United States District Court for the Northern District of Georgia on behalf of Ebix captioned Lilienfeld v. Raina, et. al., Case No. 1:21-cv-04590-ELR (the "Lilienfeld Action"), asserting claims against the same defendants as the Consolidated Derivative Action. The complaint similarly asserts a claim of breach of fiduciary duty related to the RSM resignation against all of the individual defendants. On January 17, 2022, the parties filed a joint motion to stay the Lilienfeld Action pending the resolution of the motion to dismiss the Class Action. On January 18, 2022, the court issued an order denying the motion in favor of administratively closing the case pending a ruling on Defendants' motion to dismiss the Class Action. On October 19, 2022, the parties filed a motion asking the court to extend the administrative closure of the Lilienfeld Action pending resolution of any motion to dismiss a third amended complaint in the Class Action. On October 26, 2022, the Court approved the motion to extend the administrative closure of the Lilienfeld Action.

On December 29, 2021, Sunil Shah, a purported shareholder of the Company, filed a derivative action in the Superior Court of Fulton County of the State of Georgia on behalf of Ebix captioned Shah v. Raina, et. al., Civil Action File No. 2022-cv-358481 (the "Shah Action") against the same defendants as the Consolidated Derivative Action and Lilienfeld Actions. The complaint similarly asserts a claim of breach of fiduciary duty related to the RSM resignation against all of the individual defendants. On March 30, 2022, the court granted a joint motion to stay the Shah Action pending the resolution of the motion to dismiss the Class Action. On October 28, 2022, the parties filed a joint motion to extend the stay of the Shah Action pending resolution of any motion to dismiss a third amended complaint in the Class Action. On December 8, 2022, the Court approved the motion to extend the stay of the Shah Action.

On May 12, 2017, Ebix Software India Pvt. Ltd. ("EbixCash Parent Co") entered into several agreements with the shareholders of Itz Cash Card Limited ("Itz"), the most relevant among these are a stock purchase agreement (the "SPA"), to purchase a majority ownership stake in Itz and a shareholders agreement between the then promoter shareholders of Itz and EbixCash Parent Co. Further, as part of the overall purchase of Itz, a share purchase agreement between EbixCash Parent Co and individual ESOP holders of Itz was entered into on July 7, 2017 (the "ESOP SPA") (with the SPA, the ESOP SPA, and the other purchase documents, collectively, the "Transaction Documents"). Part of the consideration for EbixCashParent Co's purchase of Itz consisted of two individual potential earn-out payments contingent on Itz achieving revenue targets, the first for the period for the year ended March 31, 2019 (the "First Earn-Out") and the second for the following year, ending on March 31, 2020 (the "Second Earn-Out"). The target revenue was not achieved and neither the First Earn-Out nor the Second Earn-Out were required to be paid pursuant to the terms of the SPA.

After correspondence between the parties between September 2019 and May 2020, the former shareholders of Itz ("Sellers") sent EbixCash Parent Co notices of arbitration ("NOAs") under which they were availing themselves of the arbitration dispute provisions set forth in the Transaction Documents. Apart from the amounts claimed owed under the earn-out provisions, the Sellers also alleged in the NOAs other violations of the terms of the Transaction Documents, including, certain non-competition and restricted matter approval violations. The matter is under arbitration in accordance with the rules of the Singapore International Arbitration Centre.

In the proceedings, the Sellers have alleged that the EbixCash Parent Co breached their obligations under the Transaction Documents, including obligations relating to non-compete, non-approval of budgets, passing of resolutions pertaining to reserved matters and certain other obligations. On this basis, the Sellers have sought damages aggregating to approximately \$38.4 million against EbixCash Parent Co.

The Company believes that the Sellers have raised frivolous allegations to attempt to show a purported breach of the Transaction Documents so as to claim the First Earn-Out and Second Earn-Out. EbixCash Parent Co denies any wrongdoing and has conducted its activities in accordance with the laws of India.

The Company is involved in various other claims and legal actions arising in the ordinary course of business, which in the opinion of management, the ultimate likely disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

At December 31, 2022, the principal market for the Company’s common stock was the Nasdaq Global Capital Market. The Company’s common stock trades under the symbol “EBIX.”

Holders

As of March 6, 2023, there were 30,902,615 shares of the Company’s common stock outstanding. As of March 6, 2023, there were 139 registered holders of record of the Company’s common stock.

Dividends

While the Board of Directors intends to continue to pay quarterly dividends, the Board will make the determination of the timing and amount of future cash dividends, if any, to be declared and paid based on, among other things, the Company's financial condition, funds from operations, the level of its capital expenditures and its future business prospects.

Sales or Issuances of Unregistered Securities

None

Recent Repurchases of Equity Securities

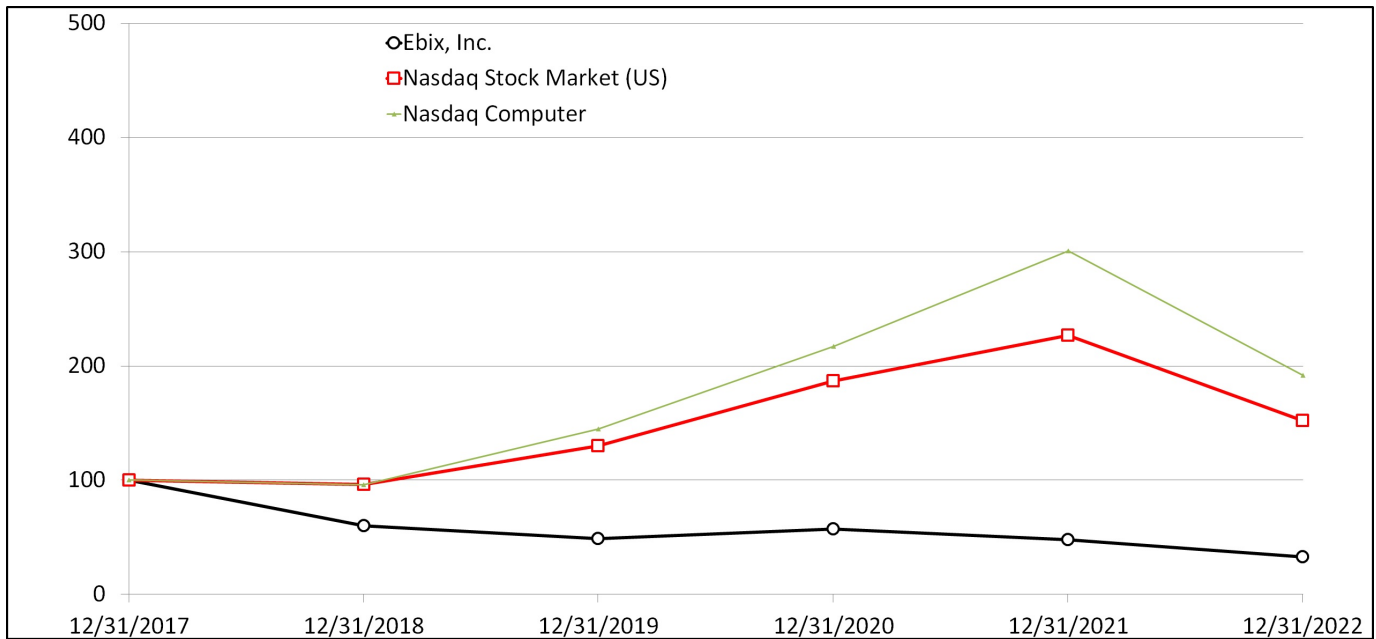
There were no share repurchases made by the Company during the fiscal years ended December 31, 2022 and 2021 under the Company's Board of Director approved share repurchase program. During 2022, there were 5,065 shares, totaling \$128 thousand, used to satisfy the recipients' income tax obligations related to restricted stock vesting. The Company has approximately \$80.1 million remaining under its current Board of Directors-approved share repurchase program.

PERFORMANCE GRAPH

The line graph below compares the yearly percentage change in cumulative total stockholder return on our Common Stock for the last five fiscal years with the Nasdaq Stock Market (U.S.) stock index and the Nasdaq Computer Index. The following graph assumes the investment of \$100 on December 31, 2017, and the reinvestment of any dividends (rounded to the nearest dollar).

Comparison of Five Year Cumulative Total Return

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
EBIX, INC.	\$ 100	\$ 60	\$ 49	\$ 57	\$ 48	\$ 33
NASDAQ STOCK MARKET (U.S.)	\$ 100	\$ 96	\$ 130	\$ 187	\$ 227	\$ 152
NASDAQ COMPUTER	\$ 100	\$ 96	\$ 145	\$ 217	\$ 301	\$ 192



Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, the terms "Ebix," "the Company," "we," "our" and "us" refer to Ebix, Inc., a Delaware corporation, and its consolidated subsidiaries as a combined entity.

The information contained in this section has been derived from our historical financial statements and should be read together with our historical financial statements and related notes included elsewhere in this document. The discussion below contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties including, but not limited to: demand and acceptance of services offered by us, our ability to achieve and maintain acceptable cost levels, pricing levels and actions by competitors, regulatory matters, general economic conditions, and changing business strategies. Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from our expressed or implied expectations, including, but not limited to our performance in future periods, our ability to generate working capital from operations, the adequacy of our insurance coverage, and the results of litigation or investigations. Our forward-looking statements can be identified by the use of terminology such as "anticipates," "expects," "intends," "believes," "will" or the negative thereof or variations thereon or comparable terminology. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

OVERVIEW

Ebix is a leading international supplier of on-demand infrastructure software exchanges and e-commerce services to the insurance, financial, travel, cash remittance and healthcare industries. In the Insurance sector, the Company's main focus is to develop and deploy globally a wide variety of insurance and reinsurance exchanges on an on-demand basis using SaaS enterprise solutions in the areas of CRM, front-end & back-end systems, and outsourced administrative and risk compliance. The Company's products feature fully customizable and scalable on-demand software designed to streamline the way insurance and financial industry professionals manage distribution, marketing, sales, customer service, and accounting activities. The P&C exchanges operate primarily in Australia, New Zealand and the U.K. With a "Phygital" strategy that combines over 650,000 physical distribution outlets in India and many ASEAN countries, to an Omni-channel online digital platform, the Company's EbixCash Financial exchange portfolio of software and services encompasses domestic and international money remittance, foreign exchange ("Forex"), travel, pre-paid gift cards, utility payments, and lending and wealth management in India and other primarily Southeast Asian markets. The Company's Forex Exchange has the leading market share within India's airport foreign exchange business with operations in 20 international airports, such as Delhi, Mumbai, Hyderabad, Chennai and Kolkata International airports. EbixCash's inward remittance business in India is the clear market leader due to its geographic depth and its affiliations with international money transmitters, such as Western Union, Moneygram and Ria. EbixCash, through its travel portfolio of Via and Mercury, is one of Southeast Asia's leading travel exchanges, with over 500,000 agents and approximately 18,000 registered corporate clients. Through its various SaaS-based software platforms, Ebix employs thousands of domain-specific technology professionals to provide products, support and consultancy to thousands of customers on six continents. The Company has its global headquarters in Johns Creek, Georgia and also conducts operating activities in Australia, Brazil, Canada, India, Indonesia, New Zealand, the Philippines, Singapore, the United Arab Emirates, and the United Kingdom.

Ebix provides application software products for the insurance industry, including carrier systems, agency systems and exchanges, as well as custom software development. Approximately 95% of the Company's revenues are either recurring or repeating (transaction-based) in nature. Rather than license our products in perpetuity, we typically either license them for multiple years with ongoing support revenues or license them on a limited term basis using a subscription hosting or Application Service Provider model. Combined subscription-based and transaction-based revenues of \$993 million comprised 95% of the Company's total revenues in 2022, as compared to 93% of total revenues in 2021. In 2022, subscription-based revenues decreased by approximately \$8 million to \$166 million, and as a percentage of the Company's total revenues was 16% in 2022 versus 18% in 2021.

The Company's technology vision is to converge processes in a manner such that data can seamlessly flow between entities after an initial data entry has been made. Our customers include many of the top insurance and financial sector companies in the world.

The insurance and financial markets continue to focus on initiatives to reduce paper-based processes and facilitate improvements in efficiency, both on the back-end of transactions as well as at the consumer-involved front end of transaction processes. This drive for efficiency involves all entities and directly impacts the manner in which insurance and financial

products are distributed. Management believes that both the insurance and financial services industries will continue to experience significant change and increased efficiencies through online exchanges as reduced paper-based processes are becoming increasingly the norm across the world insurance and financial markets.

Trends and Uncertainties Related to the COVID-19 Pandemic

In December 2019, COVID-19 was reported and has spread globally, including to every state in the U.S. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020 the U.S. government declared a national public health emergency with respect to COVID-19. The U.S. government has announced that it will allow the national public health emergency declaration related to COVID-19 to expire on May 11, 2023.

In response to the COVID-19 pandemic, many state, local, and foreign governments implemented travel restrictions, quarantines, shelter-in-place orders, and similar government orders and restrictions, in an attempt to control the spread of the disease. Such restrictions or orders, or the perception that such restrictions or orders could be implemented, resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, and the cancellation or postponement of events.

Beginning in March 2020, in an effort to protect our employees and comply with applicable government orders, we restricted non-essential employee travel and transitioned our employees to a remote work environment. We have not experienced a material impact from shifting our employees to a remote work environment, which we primarily attribute to the professionalism of our workforce and our extensive use of technology throughout our business. During 2021, governments relaxed travel restrictions, quarantines, shelter-in-place orders, and similar restrictions. The ongoing effects of the COVID-19 pandemic on our operational and financial performance will depend on the duration and spread of COVID-19 and its variants.

During the fiscal years ended December 31, 2020, December 31, 2021, and December 31, 2022, we experienced a decrease in demand for certain of our solutions and services, particularly those related to the Company's travel, foreign exchange, remittance, e-learning and consulting business areas, after certain government restrictions were implemented. This decreased demand continued in 2022 in varying degrees for each business area, and even persists through the date of this filing for all of the above mentioned business areas. We expect that demand variability for our products and services will continue as a result of the COVID-19 pandemic, despite the end of the U.S. declaration of a national public health emergency and we cannot predict with any certainty when demand for these solutions/services will return to pre-COVID-19 levels.

We continue to monitor developments related to COVID-19 and remain flexible in our response to the challenges presented by the pandemic. Along with the measures mentioned above to protect the health and safety of our employees, we took steps to strengthen our financial position in 2020 to mitigate the adverse impact that COVID-19 has had or may have on our business and operations, including amending our Credit Facility, reducing salaries for certain employees, furloughing employees in the most negatively impacted business areas, eliminating certain employee positions, and eliminating, reducing, or deferring non-essential expenditures. In 2021 we largely returned salaries to pre-COVID-19 levels and, in the case of certain IT professionals, increased wages in reaction to a tightening labor market in India. Additionally, we have ceased our share repurchase program until business conditions improve globally. We continued to operate under challenging market conditions as a result of COVID-19 and will continue to manage our operations based on the current circumstances from the residual impact of COVID-19.

Our reported results for the year ended December 31, 2022 may not be reflective of current market conditions, or of our results for any future periods, which may be negatively impacted by the COVID-19 pandemic to a greater extent than the reported period. The impact of the COVID-19 pandemic may also exacerbate other risks discussed in this Annual Report. Refer to Item 1A. "Risk Factors" in this Annual Report on Form 10-K for a complete description of the material risks that the Company currently faces.

Key Performance Indicators

Management focuses on a variety of key indicators to monitor the Company's operating and financial performance. These performance indicators include measurements of revenue growth, operating income, operating margin, income from continuing operations, diluted earnings per share, and cash provided by operating activities. We monitor these indicators, in conjunction with our corporate governance practices, to ensure efficient management of our business and maintenance of effective controls.

The MD&A discusses year-to-year comparisons between 2022 and 2021. Discussions of year-to-year comparisons between 2021 and 2020 are not included in this Form 10-K, but can be found in "Management's Discussion and Analysis of

Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the SEC on April 27, 2021.

The key performance indicators for the twelve months ended December 31, 2022, 2021, and 2020 were as follows:

(In thousands except per share data)	Key Performance Indicators Twelve Months Ended December 31,		
	2022	2021	2020
Revenue	\$ 1,050,146	\$ 994,938	\$ 625,609
Revenue growth	6 %	59 %	8 %
Operating income	\$ 120,344	\$ 119,010	\$ 125,802
Net income attributable to Ebix, Inc.	\$ 64,645	\$ 68,188	\$ 92,377
Diluted earnings per share	\$ 2.10	\$ 2.22	\$ 3.02
Cash provided by operating activities	\$ 77,567	\$ 69,471	\$ 100,356

RESULTS OF OPERATIONS

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
Operating revenue:	\$ 1,050,146	\$ 994,938	\$ 625,609
Operating expenses:			
Costs of services provided	721,515	705,390	343,262
Product development	41,188	40,015	35,267
Sales and marketing	17,369	14,434	13,835
General and administrative, net	131,199	100,911	87,537
Amortization and depreciation	18,531	15,178	13,738
Impairment of intangible asset	—	—	6,168
Total operating expenses	929,802	875,928	499,807
Operating income	120,344	119,010	125,802
Interest expense, net	(54,815)	(41,287)	(31,411)
Other non-operating (loss) income	(1,828)	(3,766)	153
Non-operating expense - litigation settlement	—	—	—
Foreign currency exchange loss, net	8,374	(434)	(387)
Income before income taxes	72,075	73,523	94,157
Income tax provision	(9,447)	(6,584)	(5,330)
Net income including noncontrolling interest	\$ 62,628	\$ 66,939	\$ 88,827
Net loss attributable to noncontrolling interest	(2,017)	(1,249)	(3,550)
Net income attributable to Ebix, Inc.	\$ 64,645	\$ 68,188	\$ 92,377

TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

Operating Revenue

The Company derives its revenues primarily from subscription and transaction fees pertaining to products or services delivered over our exchanges or from our Application Service Provider, fees for business process outsourcing services, and fees for software development projects, including fees for consulting, implementation, training, and project management provided to customers with installed systems, e-governance solutions to governmental agencies in the health and education sectors, as well as foreign exchange, remittance (both inward and outward) and travel services from our financial exchanges.

Ebix’s revenue streams come from three product/service channels. Presented in the table below is the breakout of our revenues for each of those product/service channels for the years ended December 31, 2022 and 2021.

<i>(In thousands)</i>	For the Year Ended	
	December 31,	
	2022	2021
EbixCash Exchanges	797,805	749,774
Insurance Exchanges	171,156	171,087
Risk Compliance Solutions	81,185	74,077
Totals	\$ 1,050,146	\$ 994,938

In the table above for the year ending December 31, 2022 and 2021 there are \$9.2 million and \$9.6 million, respectively, of Insurance Exchange revenues derived in India that are being reported within the EbixCash Exchange channel above. Additionally, for 2022 and 2021, there is approximately \$20.2 million and \$12.5 million, respectively, of EbixCash Exchange revenues that are being reported within the Risk Compliance Solutions channel above due to the nature of the revenues (primarily international consulting and BPO revenues within India).

During the twelve months ended December 31, 2022, our total revenue increased \$55.2 million, or 6%, to \$1.1 billion compared to \$994.9 million in 2021. The growth in revenues was due primarily to growth experienced within EbixCash, especially businesses that are rebounding from the negative impacts of COVID-19. The EbixCash Travel and Foreign Exchange/Outward Remittance businesses increased revenues a combined \$61.3 million, or 118%, in 2022 versus 2021, while the EbixCash BPO revenues increased approximately \$12 million, or 47%, year-over-year in 2022. EbixCash e-learning and financial technologies revenues increased approximately \$3.5 million (160% year-over-year growth) and \$2.5 million (6% year-over-year growth), respectively, in 2022 as compared to 2021. These growth rates were achieved despite historically high negative currency impacts on India-related revenues. The Company also experienced 42% growth in revenues in 2022 within Latin America, 11% revenue growth in 2022 within New Zealand and 4% revenue growth in Canada. Offsetting these positive growth drivers were declines in revenues within the EbixCash Payment Solutions (primarily prepaid gift cards) and Inward Remittance businesses, with revenues declining approximately 3%, or approximately \$22 million, during 2022, within Payment Solutions, and Inward Remittance revenues declining \$1.7 million, or approximately 18%, during 2022. Revenues also declined slightly (< 1%) in the U.S., with 5% growth in core Life and Annuity Exchanges offset by declines in Consulting and Employee Benefit/Health Exchange revenues. Singapore, Australia and Europe revenues also declined in 2022 as compared to 2021. All three geographies experienced negative currency impacts during 2022, with European revenues increasing 8% on a constant currency basis.

The impact from fluctuations of the exchange rates for the foreign currencies in the countries in which we conduct operations negatively affected reported revenues materially. During 2022 the change in foreign currency exchange rates reduced reported consolidated operating revenue by \$57.6 million, most notably in India where reported revenues would have been higher by approximately \$53.3 million on a constant currency basis. On a constant currency basis total revenue for the fiscal year 2022 increased approximately 11% year-over-year.

The specific components of our revenue based on our three main business lines and the changes experienced during the past year are discussed immediately below.

Overall Exchange revenues increased \$48.1 million, or 5%, as explained below:

- EbixCash Exchange division revenues increased \$48.0 million, or 6.4%, due to growth in revenues in EbixCash travel, foreign exchange/outward remittance, e-learning and financial technologies revenues, offset in part by declines in prepaid gift card and inward remittance revenues as outlined above. Foreign exchange currency movements had a materially negative impact on India-related revenues, decreasing 2022 revenues by approximately \$53.3 million.
- Insurance Exchange division revenues were essentially flat year-over-year principally due to decreased revenues within the U.S., Europe and Australia as outlined above, offset in part by revenue growth in Canada. Europe, Australia and Canada each had negative affects from foreign exchange currency movements in 2022 as compared to 2021 of \$1.7 million, \$2.6 million and \$0.2 million, respectively.
- Risk Compliance Solutions division revenues increased by \$7.1 million, or 9.6%, primarily due to an increase in revenues within the EbixCash BPO and Latin America, offset in part by declines in U.S. consulting revenues.

International revenue accounted for 85.3% and 84.4% of the Company's total revenue for the fiscal years ended December 31, 2022 and 2021, respectively.

Costs of Services Provided

Costs of services provided, which includes costs associated with product sales, customer support, consulting, implementation, and training services, increased \$16.1 million, or 2.3%, from \$705.4 million in 2021 to \$721.5 million in 2022, and the Company's gross margin increased to 31.3% in 2022 from 29.1% in 2021. The increased gross margin from fiscal year 2021 to 2022 is primarily related revenue mix changes and, specifically, the approximately \$22 million decrease in revenues in 2022 in the EbixCash Payment Solutions business (primarily prepaid gift cards), which generate minimal gross margins for the Company. In fiscal years 2022 and 2021, the payment solutions gross margins for the Company were negligible and 0.5%, respectively. Excluding the payment solutions business, gross margins for the Company in fiscal years 2022 and 2021 were approximately 74% and 78%, respectively. The decrease in gross margins, excluding the payment solutions business, in fiscal year 2022 versus 2021 was driven by the revenue mix differences for the Company, with the Company's highest margin solutions/services (e.g. insurance exchange software and services) experiencing less growth during 2022 versus other solutions/services (e.g. travel and e-learning businesses).

Product Development Expenses

The Company's product development efforts are focused on the development of new technologies for insurance carriers, brokers and agents, and the development of new data exchanges for use in domestic and international insurance markets, as well as the Forex and travel sectors. Product development expenses increased \$1.2 million, or 2.9%, from \$40.0 million in 2021 to \$41.2 million in 2022. The increase is due primarily to increased personnel costs in India and the U.S.

Sales and Marketing Expenses

Sales and marketing expenses increased \$2.9 million, or 20.3%, from \$14.4 million in 2021 to \$17.4 million in 2022. This increase is primarily due to an increase in advertising and marketing expenses to continue to build our EbixCash brand in India and other Southeast Asian markets. Additionally, The U.S. business has increased its presence at trade shows during 2022 versus 2021. The total of these impacts were an increase in year-over-year expenses of approximately \$3.4 million, which was offset, in part, by total personnel costs decreasing by approximately \$0.4 million in 2022 as compared to 2021.

General and Administrative Expenses

General and administrative expenses increased \$30.3 million, or 30.0%, from \$100.9 million in 2021 to \$131.2 million in 2022. This increase was driven by increased personnel costs, including insurance, other benefits and travel expenses, which increased approximately \$17 million in 2022 as compared to 2021. Additionally, rent expense increased by approximately \$8 million in 2022 as compared to 2021, bad debt expense increased year-over-year by approximately \$3.8 million, and corporate insurance expense increased by approximately \$0.9 million.

Amortization and Depreciation Expenses

Amortization and depreciation expenses increased \$3.4 million, or 22.1%, to \$18.5 million in 2022 from \$15.2 million in 2021 primarily due to increased fixed asset depreciation (increased capital expenditures over the past two fiscal years as compared to 2020), offset, in part, by decreased amortization in 2022 versus 2021 related to definite-lived intangibles resulting from prior acquisition activity, primarily in India.

Interest Income

Interest income increased \$170 thousand, or 204.8%, from \$83 thousand in 2021 to \$253 thousand in 2022.

Interest Expense

Interest expense increased \$13.7 million, or 33.1% from \$41.4 million in 2021 to \$55.1 million in 2022, primarily due to increased borrowing costs associated with the Company's primary corporate credit facility. While the Company's average balance outstanding under the credit facility decreased by approximately \$30 million during 2022 as compared to 2021, the weighted average interest rate on the credit facility increased by approximately 170 basis points to 6.87% in 2022 as compared to 5.17% in 2021. The Company also incurred approximately \$2.6 million in deferred financing costs during 2022, of which

\$2.1 million were amortized to interest expense during 2022, as well as incurring approximately \$0.7 million more interest expense in 2022 versus 2021 from amortization of deferred financing costs that were initially recorded in 2021. The Company's working capital facilities in India had average balances that declined approximately \$6 million year-over-year from 2021 to 2022. These working capital facilities generally carry interest rates of between 10% and 11%.

Foreign Exchange Loss

Net foreign exchange gains of \$8.4 million in 2022 which consisted of net gains realized and unrealized upon the settlement of receivables or payables and re-measurement of cash balances denominated in currencies other than the functional currency of the respective operating division recording the instrument. In fiscal year 2021, a net foreign currency exchange loss of \$0.4 million was recorded.

Income Taxes

The Company recognized income tax expense of \$9.4 million in 2022 compared to \$6.6 million of income tax expense in 2021, representing an increase of \$2.9 million. Our effective tax rate increased to 13.1% in 2022, compared with 9.0% in 2021. The increase in the effective tax rate in 2022 is primarily due to the mix of pre-tax income in foreign jurisdictions with higher tax rates and the greater impact of GILTI related items.

The pre-tax income from and the applicable statutory tax rates in each jurisdiction in which the Company had operations for the year ending December 31, 2022 are as follows:

<i>(In thousands)</i>	Pre-tax income	Statutory tax rate
United States	(44,887)	21.0 %
Canada	103	26.5 %
Brazil	6,647	34.0 %
Australia	2,776	30.0 %
Singapore	(4,158)	17.0 %
New Zealand	770	28.0 %
India	100,790	28.0 %
Mauritius	(4,318)	15.0 %
United Kingdom	8,735	19.0 %
Thailand	(107)	20.0 %
Dubai	5,724	— %
Total	72,075	

+

LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of liquidity are the cash flows provided by our operating activities, and cash and cash equivalents on hand.

We intend to continue to utilize cash flows generated by our ongoing operating activities, in combination with the possible issuance of additional debt or equity, to fund capital expenditures and organic growth initiatives, to make strategic business acquisitions, to retire outstanding indebtedness, and to repurchase shares of our common stock if and as market and operating conditions warrant.

The Company's current Credit Facility, which is a syndicated credit facility with a group of domestic U.S. banks, will mature on May 23, 2023. Currently, there is \$639.3 million borrowed under this credit facility. The Company is in compliance with its covenants as of December 31, 2022. However, the Company does not currently have the cash on hand to repay the balance under the Credit Facility upon maturity in May 2023. The pending EbixCash IPO could provide material proceeds that the Company can use to reduce its outstanding debt. The Company is also pursuing multiple other capital raising strategies to address the refinancing requirements of the Credit Facility, including the extension of the Credit Facility, new debt, equity, and

hybrid debt/equity options at the corporate level and within the EbixCash operations in India. If necessary, the Company will also pursue other strategic options, and the Board of Directors has formed a special committee to assist it in further evaluating all alternatives to address the capital required to refinance the Credit Facility. While there are no assurances that the EbixCash IPO will be executed on terms acceptable to the Company, or at all, the Company will evaluate all strategic alternatives to refinance the existing Credit Facility.

We believe that anticipated cash flows provided by our operating activities, together with current cash balances, access to the debt and/or equity capital markets, and possible private equity capital infusions, will be sufficient to meet our projected cash requirements for the next twelve months, assuming that the Company can either secure an extension of the Credit Facility, refinance the Credit Facility or repay the facility via a combination of new debt and/or equity capital raised and are not obligated to repay the total outstanding debt under the Credit Facility from internal cash on hand. Given the risk of not being able to repay or refinance the Credit Facility, our ability to meet our cash requirements during 2023 is subject to substantial uncertainty. We may raise funds from a combination of sources, including the potential issuance of debt or equity securities or other strategic alternatives available to the Company. However, there are no assurances that such capital raising alternatives will be available in amounts or on terms acceptable to us, if at all. In addition, the covenants in our Credit Facility could adversely affect our ability to obtain such financing and our ability to make strategic acquisitions, fund investments, repurchase shares of our common stock or engage in other business activities that could be in our interest.

We regularly evaluate our liquidity requirements, including the need for additional debt or equity offerings, when considering potential business acquisitions, or the development of new products or services. During fiscal year 2023, the Company intends to utilize its cash and other financing resources to fund organic growth initiatives, strategic business acquisitions, and new product development initiatives and service offerings.

Our cash and cash equivalents were \$110.6 million and \$99.6 million at December 31, 2022 and 2021, respectively. The increase in our short-term liquidity position is primarily due to the following factors: (a) net cash provided by operating activities of \$77.6 million in 2022 (source of cash); (b) net cash used in financing activities of \$22.5 million in 2022 (use of cash); (c) net cash used in financing activities of \$23.2 million in 2022 (use of cash); and (d) the effect of foreign exchange rates on cash and cash equivalents of \$21.7 million in 2022 (use of cash).

Our current ratio decreased from 1.79 at December 31, 2021 to 0.46 at December 31, 2022, and our working capital position decreased to \$(447.0) million at December 31, 2022 as compared to \$161.4 million at the end of 2021. The decrease in working capital results from the Credit Facility being classified in the current liability section of the consolidated balance sheet. The Credit Facility will mature on May 23, 2023 unless the Company executes on one or more of the following: (a) repays all or a material portion of the Credit Facility; (b) refinances the Credit Facility; and (c) negotiates a further extension of the Credit Facility in conjunction with the existing group of banks. We believe that our ability to generate cash flow from operations will enable the Company to continue to meet its debt service obligations and to fund its current operations for the next twelve months, but is not sufficient to repay the outstanding debt under the Credit Facility during 2023.

The Company holds material cash and cash equivalent balances overseas in foreign jurisdictions. The free flow of cash from certain countries where we hold such balances may be subject to repatriation tax effects and other restrictions. Furthermore, the repatriation of earnings from some of our foreign subsidiaries would result in the application of withholding taxes at source and taxation at the U.S. parent level upon receipt of the repatriation amounts. The approximate cash, cash equivalents, restricted cash, and short-term investments balances held in our domestic U.S. operations and each of our foreign subsidiaries as of March 6, 2023 is presented in the table below (figures denominated in thousands):

	Cash, Restricted Cash and Short-Term Investments	
India	\$	60,709
United States		9,305
Philippines		6,109
Australia		5,085
Canada		4,154
United Arab Emirates		3,384
Latin America		2,294
Singapore		1,365
Europe		2,398
New Zealand		1,080
Indonesia		1,278
Mauritius		20
Total	\$	97,181

Business Combinations

The Company seeks to execute accretive business acquisitions in combination with organic growth initiatives as part of its comprehensive business growth and expansion strategy. The Company looks to acquire businesses that are complementary to Ebix's existing products and services.

During the twelve months ending December 31, 2022, the Company did not complete any business acquisitions.

During the twelve months ending December 31, 2021, the Company did not complete any business acquisitions.

Operating Activities

For the twelve months ended December 31, 2022, the Company generated \$77.6 million of net cash flow from operating activities compared to \$69.5 million for the year ended December 31, 2021, representing an increase of \$8.1 million, or 12%. The major sources and uses of cash provided by our operating activities during 2022 included net income of \$64.6 million, adjusted for \$2.0 million of net loss attributable to non-controlling interest, \$18.5 million of depreciation and amortization, \$3.6 million of amortization of right-of-use assets, \$3.9 million of non-cash share-based compensation, \$3.0 million of amortization expense for intangibles relating to developed technology, and approximately \$2.5 million (source of cash) of asset/liability changes year-over-year within the operating activities section of the consolidated cash flow statement. The increase in our operating cash flow in 2022 as compared to 2021 is primarily due to a decrease in net income year over year of \$3.5 million and the increase in cash flow provided by changes in assets/liabilities year-over-year, from a cash use of \$(12.2) million in 2021 to a cash source of \$2.5 million in 2022. Lastly, the impact on cash flow from operating activities of changes in the allowance for doubtful accounts was \$1.4 million in 2022 versus \$(2.3) million in 2021. These increases in operating cash flow were offset, in part, by the cash flow impact from changes in the provision for deferred taxes, with 2022 having a negative impact on cash flow of \$(18.0) million as compared to a negative impact on cash flow of \$(11.1) million in 2021.

For the twelve months ended December 31, 2021, the Company generated \$69.5 million of net cash flow from operating activities compared to \$100.4 million for the year ended December 31, 2020, representing a decrease of \$30.9 million, or 31%. The major sources and uses of cash provided by our operating activities during 2021 included net income of \$68.2 million, adjusted for \$1.2 million of net loss attributable to a noncontrolling interest, \$15.2 million of depreciation and amortization, \$4.3 million of amortization of right-of-use assets, \$5.4 million of non-cash share-based compensation, \$3.3 million of amortization expense for intangibles relating to developed technology, \$(12.2) million of asset/liability changes year-over-year within the operating activities section of the consolidated cash flow statement. The decrease in our operating cash flow in 2021 as compared to 2020 is primarily due to a decrease in net income year-over-year of \$24.2 million and a change in the cash flow impact of deferred taxes year-over-year from \$5.1 million in 2020 versus \$(11.1) million in 2021. Net changes in

operating assets and liabilities was \$(12.2) million in 2021 versus \$(19.9) million in 2020. Lastly, the impact of cash flow from operating activities from changes in the allowance for doubtful accounts was \$(2.3) million in 2021 versus \$1.7 million in 2020.

Investing Activities

Net cash used for investing activities during the twelve months ended December 31, 2022 totaled \$22.5 million, primarily related to \$14.5 million of capital expenditures to support our operations and \$7.1 million used and capitalized in connection with the development of software to be sold/marketed or used internally, as well as \$1.0 million used by an increase in marketable securities (specifically bank certificates of deposit).

Net cash used for investing activities during the twelve months ended December 31, 2021 totaled \$4.6 million, primarily related to \$7.5 million of capital expenditures to support our operations and \$5.7 million used and capitalized in connection with the development of software to be sold/marketed or used internally, offset in part by \$8.6 million provided by a decrease in marketable securities (specifically bank certificates of deposits).

Financing Activities

Net cash used by financing activities during the twelve months ended December 31, 2022 was \$23.2 million, and primarily consisted of a \$1.8 million decrease in the year-end balances in our working capital facilities in India, \$23.5 million used to make payments against the Company's outstanding Credit Facility term loan, \$28.2 million of which were scheduled amortization payment, and \$9.3 million used to pay quarterly dividends to the holders of our common stock. These uses of cash were offset, in part, by \$10.5 million of proceeds from borrowings under the outstanding Credit Facility during 2022.

Net cash used by financing activities during the twelve months ended December 31, 2021 was \$63.2 million, and primarily consisted of a \$10.9 million decrease in the year-end balances in our working capital facilities in India, \$42.6 million used to make payments against the Company's outstanding Credit Facility term loan, \$22.6 million of which were scheduled amortization payments, and \$9.3 million used to pay quarterly dividends to the holders of our common stock.

Credit Facility

The Company maintains a senior secured syndicated credit facility, dated August 5, 2014, among Ebix, Inc., as borrower, its subsidiaries party thereto from time to time as guarantors, Regions Bank (as administrative agent and collateral agent) and the lenders party thereto from time to time (as amended from time to time, the "Credit Facility") that provides a \$450 million revolving line of credit as well as a term loan, which at December 31, 2022 had a balance of \$189.4 million. The Credit Facility matures in May 2023.

On February 21, 2023, the Company entered into Amendment No. 13 to its Credit Facility. Amendment No. 13 provided for, among other things, an extension of the maturity date from February 21, 2023 to May 23, 2023. The Company was required to make a \$5 million prepayment of the Revolver on February 21, 2023 and will be required to make an amortization payment on the Term Loan in the amount of \$5 million on March 31, 2023. Any repayments under the Revolver will be accompanied by a corresponding reduction in the aggregate revolving commitments. Lastly, amendment No. 13 modified certain other provisions within the Credit Agreement and has resulted in an approximately 1% per annum interest rate increase beginning February 21, 2023.

On April 9, 2021, The Company entered into Amendment No. 12 to its Credit Facility. Amendment No. 12 provided for, among other things, a waiver of any potential event of default arising under the Credit Facility from the failure to timely deliver the Company's audited consolidated financial statements and related compliance certificate for the year ended December 31, 2020, provided that there is no good faith determination by the requisite lenders under the Credit Facility of a "Material Circumstance" (as defined and further described in Amendment No. 12), which determination (if any) may only be made within a specified period described in Amendment No. 12 and is subject to certain cure rights of the Company. Amendment No. 12 also modified the applicable margin that applies from the date of the amendment forward, modified certain mandatory prepayment provisions, as well as certain other covenants related to restricted payments, investments and certain reporting requirements.

On March 31, 2021, Ebix entered into Amendment No. 11 to the Credit Facility. Amendment No. 11 provided, for, among other things, a limited waiver through April 10, 2021, of any potential event of default arising under the Credit Facility from failure to deliver the Company's audited consolidated financial statements and related compliance certificate for the year ended December 31, 2020. Amendment No. 11 also modified certain covenants contained in the Credit Facility, including with respect to certain permitted restricted payments and investments.

At December 31, 2022, the outstanding balance on the revolving line of credit under the Credit Facility was \$449.9 million and the facility carried an interest rate of 9.6%. The outstanding balance is included in the current liabilities section of the consolidated balance sheets due to the February 2023 maturity date. During 2022, the average and maximum outstanding balances on the revolving line of credit were \$440.1 million and \$449.9 million, respectively, and the weighted average interest rate was 6.9%.

At December 31, 2022, the outstanding balance on the term loan was \$189.4 million. \$23.5 million of principal payments were made on the term loan during 2022, of which \$20.7 million were scheduled amortization payments. This term loan also carried an interest rate of 9.6% at December 31, 2022. The outstanding term loan balance is included in the current liabilities section of the consolidated balance sheets due to the May 2023 maturity date. During 2022, the weighted average interest rate on the term loan was 6.8%.

Contractual Obligations and Commercial Commitments

The following table summarizes our known contractual debt and lease obligations as of December 31, 2022. The table excludes commitments that are contingent based on events or factors uncertain at this time.

	Payment Due by Period				
	Total	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 years
	(In thousands)				
Revolving line of credit	\$ 449,902	\$ 449,902	\$ —	\$ —	\$ —
Short and long-term debt*	194,336	194,176	160	—	—
Operating leases	11,434	3,877	4,606	1,882	1,069
Capital leases	319	167	152	—	—
Non-Cancellable operating leases	17,105	12,593	4,512	—	—
Total	\$ 673,096	\$ 660,715	\$ 9,430	\$ 1,882	\$ 1,069
*Excluding amounts related to deferred financing costs					

Off Balance Sheet Transactions

We do not engage in off-balance sheet financing activities.

Inflation

We believe that the rate of inflation has had an effect, but not a material effect, on our operating results. Continued historically high inflation rates could adversely effect, and possibly materially effect, our future operating results.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to certain market risks, including foreign currency exchange rates and interest rates. The Company's exposure to foreign currency exchange rates risk is related to our foreign-based operations where transactions are denominated in foreign currencies and are subject to market risk with respect to fluctuations in the relative value of those currencies. A significant portion of the Company's operations are based in the U.S., and the functional currencies in our Singapore and Dubai product development centers is the U.S. dollar. However, the Company has operations in Australia, Brazil, Canada, India, Indonesia, New Zealand, the Philippines, and the U.K. where we conduct transactions in the local currencies of each of these locations. There can be no assurance that fluctuations in the value of those foreign currencies will not have a material adverse effect on the Company's business, operating results, revenues or financial condition. During the years of 2022 and 2021, the net change in the cumulative foreign currency translation account, which is a component of stockholders' equity, was unrealized losses of \$97.4 million and \$20.5 million, respectively. The Company considered the historical trends in currency exchange rates and determined that it was reasonable that adverse changes in our respective foreign currency exchange rates of 20% could possibly be experienced in the near term future. Such an adverse change in currency exchange rates would have resulted in a reduction to pre-tax income of approximately \$13.6 million and \$10.8 million for the years ended December 31, 2022 and 2021, respectively.

The Company's exposure to interest rate risk relates to its interest expense on outstanding debt obligations and to its interest income on existing cash balances. As of December 31, 2022, the Company had \$647.3 million of outstanding debt obligations, excluding amounts related to deferred financing costs, which consisted of a \$189.4 million term loan, a \$449.9 million balance on our revolving line of credit under the Credit Facility, a \$1.8 million note due to IHC by the EbixHealth JV, \$3.4 million of working capital facility debt in India and a \$2.8 million short-term debt financing of our large corporate insurance requirements. As of December 31, 2022, the Company's term loan and outstanding balance on the revolving line of credit under the Credit Facility accrued interest at a rate per annum equal to 9.56%, calculated as LIBOR plus 6.00% with a 3.56% LIBOR rate in place as of December 31, 2022. The Company is exposed to market risk in relation to this secured revolving line of credit and secured term loan in regards to the potential increase to interest expense arising from adverse changes in the LIBOR interest rates. This interest rate risk is estimated as the potential decrease in earnings resulting from a hypothetical 30% increase in the LIBOR rate. Such an adverse change in the LIBOR rate would have resulted in a reduction to pre-tax income of approximately \$3.6 million and \$1.0 million for the years ending December 31, 2022 and 2021, respectively. The Company's average cash balances and short-term investments during 2022 were \$118.6 million and its existing cash balances and short-term investments as of December 31, 2022 was \$110.6 million and \$17.4 million, respectively. The Company is exposed to market risk in relation to these cash balances in regards to the potential loss of interest income arising from adverse changes in interest rates. This interest rate risk is estimated as the potential decrease in earnings resulting from a hypothetical 20% decrease in interest rates earned on deposited funds. Such an adverse change in these interest rates would have resulted in a reduction to pre-tax income of approximately \$0.2 million and \$0.2 million for the years ended December 31, 2022 and 2021, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

See Part II, Item 8, "Note 1 Description of Business and Summary of Significant Accounting Policies" for detailed description of Recent Accounting Pronouncements.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with GAAP, as promulgated in the U.S., requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our consolidated financial statements and accompanying notes. We believe the most complex and sensitive judgments, because of their significance to the consolidated financial statements, result primarily from the need to make estimates and assumptions about the effects of matters that are inherently uncertain. The following accounting policies involve the use of "critical accounting estimates" because they are particularly dependent on estimates and assumptions made by management about matters that are uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period, which may have a material impact on our financial condition and results of operations. For additional information about these policies, see Note 1 "Description of Business and Summary of Significant Accounting Policies" of the notes to the consolidated financial statements in this Form 10-K. Although we believe that our estimates, assumptions and judgments are reasonable, they are limited based upon information presently available. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

COVID-19 and certain geopolitical events, such as the Ukraine/Russia war that is ongoing, has created and may continue to create significant uncertainty in global financial markets, which may reduce demand for our services, impact the productivity of our workforce, reduce our access to capital, and harm our business and results of operations. As of the date of our consolidated financial statements, we are not aware of any specific event or circumstance that would require us to update our estimates or judgments, or to revise the carrying value of our assets or liabilities. However, these estimates may change as new events occur and additional information is obtained, which may result in changes being recognized in our consolidated financial statements in future periods. While we considered the effects of COVID-19 and certain geopolitical events in our estimates and assumptions, there may be other judgments and assumptions that were not currently considered. Such judgments and assumptions could result in a meaningful impact to our consolidated financial statements in future periods. Actual results could differ from those estimates and any such differences may have a material impact on our consolidated financial statements.

Revenue Recognition and Contract Liabilities—The Company derives its revenues primarily from software subscription and transaction fees, software license fees, financial transaction fees, risk compliance solutions services fees, and professional service fees, including associated fees for consulting, implementation, training, and project management provided to customers with installed systems and applications. Sales and value-added taxes are not included in revenues, but rather are recorded as a liability until the taxes assessed are remitted to the respective taxing authorities.

The Company determines revenue recognition by applying the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

The Company analyzes its different services individually to determine the appropriate basis for revenue recognition, as further described below. Additionally, certain services exist in multiple channels. As Ebix derives revenues from three product/service channels—EbixCash Exchanges, Insurance Exchanges, and Risk Compliance Solutions—for policy disclosure purposes, contracts are discussed in conjunction with the channel to which they are most significant.

The Company assesses the terms of customer contracts including termination rights, penalties (implied or explicit), and renewal rights.

EbixCash Exchanges

EbixCash revenues are primarily derived from the sales of prepaid gift cards and consideration paid by customers for financial transaction services, including services like transferring or exchanging money. The significant majority of EbixCash revenue is for a single performance obligation and is recognized at a point in time. These revenues vary by transaction based upon channel, send and receive locations, the principal amount sent, whether the money transfer involves different send and receive currencies, and speed of service, as applicable.

EbixCash also offers several other services, including payment services and ticketing and travel services, for which revenue is impacted by varying factors. EbixCash acts as the principal in most transactions and reports revenue on a gross basis, as EbixCash controls the service at all times prior to transfer to the customer, is primarily responsible for fulfilling the customer contracts, has the risk of loss, and has the ability to establish transaction prices.

The main services from which EbixCash derives revenue are as follow:

Gift Cards

EbixCash sells general purpose prepaid gift cards to corporate customers and consumers that can be later redeemed at various merchants. The gift cards are co-branded between EbixCash and its card-issuing banking partners and are affiliated with major payment associations such as VISA, Mastercard, and Rupay. The gift cards are sold to a diversified set of corporate customers from various industries. The gift cards are used by corporate customers to disburse incentives to the end users, which are primarily their employees, agents and business associates. The gift cards sold by EbixCash are not reloadable, cannot be used at ATMs or for any other cash-out or funds transfer transactions, and are subject to maximum limits per card (currently INR10,000 or approximately \$120). Gift cards issued by EbixCash are valid for a period of 15 months from the date of issuance for virtual cards and three for physical cards. EbixCash has entered into arrangements with banks and financial institutions to settle payments to merchants based on utilization of the gift cards.

The Company has end-to-end responsibilities related to the gift cards sold, from the activation and ongoing utilization of the gift cards to customer service responsibilities to risk of loss due to fraud on the gift cards sold. EbixCash acts a principal in the sale of gift cards and, thus, gift card revenue is recognized on a gross basis (full purchase value at the time of sale) with the corresponding cost of the gift cards recorded as cost of services provided. Unredeemed gift cards at December 31, 2022 totaled approximately \$5.4 million and are recorded as deferred revenues in the financial results.

EbixCash Travel Exchanges

EbixCash Travel revenues are primarily derived from commissions and transaction fees received from various travel providers and international exchanges involved in the sale of travel to the consumer. EbixCash Travel revenue is for a single performance obligation and is recognized at a point in time. Travel revenues include: (i) reservation commissions, segment fees from global travel exchange providers, and transaction net revenues (i.e., the amount charged to travelers less the amount owed to travel service providers) in connection with our reservation services; (ii) ancillary fees, including travel insurance-related revenues and certain reservation booking fees; and (iii) credit card processing rebates and customer processing fees. EbixCash Travel services include the sale of hotel rooms, airline tickets, bus tickets and train tickets. EbixCash's Travel revenue is also derived from ticket sales, wherein the commissions payable to EbixCash Travel, along with any transaction fees paid by travel providers and travel exchanges, is recognized as revenue after completion of the service. The transaction price on such services is agreed upon at the time of the purchase.

EbixCash Travel revenue for the corporate MICE packages is recognized at full purchase value at the completion of the obligation, with the corresponding costs recorded as cost of services provided. For MICE revenues, EbixCash Travel acts as the principal in transactions and, accordingly, reports revenue on a gross basis. EbixCash Travel controls the service at all times prior to transfer to the customer, is responsible for fulfilling the customer contracts, has the risk of loss, and has the ability to establish transaction prices.

EbixCash Money Transfer

For the EbixCash money transfer business, EbixCash has one performance obligation whereupon the customer engages EbixCash to perform one integrated service. This performance obligation typically occurs instantaneously when the

beneficiary entitled to receive the money transferred by the sender visits the EbixCash outlet and collects the money. Accordingly, EbixCash recognizes revenue upon completion of the following: (i) the customer's acknowledgment of EbixCash's terms and conditions and the receipt of payment information; (ii) the money transfer has been processed; (iii) the customer has received a unique transaction identification number; and (iv) funds are available to be picked up by the beneficiary. The transaction price is comprised of a transaction fee and the difference between the exchange rate set by EbixCash to the customer and the rate available in the wholesale foreign exchange market, as applicable, both of which are readily determinable at the time the transaction is initiated.

Foreign Exchange and Outward Remittance Services

For EbixCash's foreign exchange and payment services, customers agree to terms and conditions for all transactions, either at the time of initiating a transaction or signing a contract with EbixCash to provide payment services on the customer's behalf. In the majority of EbixCash's foreign exchange and payment services, EbixCash makes payments to the recipient to satisfy its performance obligation to the customer and, therefore, EbixCash recognizes revenue on foreign exchange and payment when this performance obligation has been fulfilled.

Consumer Payment Services

EbixCash offers several different bill payment services that vary by considerations, including among other factors: (i) who pays the fee to EbixCash (consumer or biller); (ii) whether the service is offered to all consumers; (iii) whether the service is restricted to existing biller relationships of EbixCash; and (iv) whether the service utilizes a physical agent network offered for consumers' convenience. The determination of which party is EbixCash's customer for revenue recognition purposes is based on these considerations for each of EbixCash's bill payment services. For all transactions EbixCash's customers agree to EbixCash's terms and conditions, either at the time of initiating a transaction (where the consumer is determined to be the customer for revenue recognition purposes) or upon signing a contract with EbixCash to provide services on the biller's behalf (where the biller is determined to be the customer for revenue recognition purposes). As with consumer money transfers, customers engage EbixCash to perform one integrated service - collecting money from the consumer and processing the bill payment transaction. This service provides the billers real-time or near real-time information regarding their customers' payments and simplifies the billers' collection efforts. The transaction price on bill payment services is contractual and determinable. Certain biller agreements may include per-transaction or fixed periodic rebates, which EbixCash records as a reduction to revenue.

EbixCash Technology Services

EbixCash also offers on-demand technology to various providers in the area of lending, wealth and asset management, and travel across the world. Additionally, EbixCash provides IT and call center outsourcing services to companies in a variety of industries, both in India and globally. The EbixCash technology software solutions are generally delivered on a SaaS subscription and/or transaction based pricing model. Please see below under "Insurance Exchanges" a description of revenue recognition policies for SaaS, Subscription and Transaction Fees, which are similar to how EbixCash technology software solutions revenues are recognized. For IT and call center outsourcing services provided by EbixCash businesses, revenues are generally recognized on a time and materials or fixed fee basis. Revenues for time and materials are recognized as such services are rendered while fixed fee revenues are recognized based on the input method driven by the expected hours to complete the project measured against the actual hours completed to date.

Insurance Exchanges

Insurance Exchanges revenues are primarily derived from consideration paid by customers related to our SaaS platforms, related services and the licensing of software. A typical contract for our SaaS platform will also include services for setup, customization, transaction processing, maintenance, and/or hosting. Determining whether products and services are considered distinct performance obligations that should be accounted for separately may require significant judgment. Set-up and customization services related to our SaaS platforms are not considered to be distinct from the usage fees associated with the SaaS platform and, accordingly, are accounted for as a single performance obligation. These services, along with the usage or transaction fees, are recognized over the contract duration, which considers the significance of the upfront fees in the context of the contract and which may, therefore, exceed the initial contracted term. A customer's transaction volume tends to remain fairly consistent during the contract period without significant fluctuations. The invoiced amount is a reasonable approximation of the revenue that would be allocated to the related period under the variable consideration guidelines set forth in ASC 606-10-32-40. To the extent that a SaaS contract includes subscription services or professional services, apart from the upfront customization, these are considered separate performance obligations. The Company also has separate software licensing (on

premise/ perpetual), unrelated to the SaaS platforms, which is recognized at a point in time when the license is transferred to the customer.

Contracts generally do not contain a right of return or refund provisions. Our contracts often do contain overage fees, contingent fees, or service level penalties which are accounted for as variable consideration. Revenue accounted for as variable consideration is immaterial and is recognized using the “right to invoice” practical expedient when the invoiced amount equals the value provided to the customer.

Software-as-a-Service

The Company allocates the transaction price to each distinct performance obligation using the relative stand-alone selling price. Determining the stand-alone selling price may require significant judgment. The stand-alone selling price is the price at which the Company has sold or would sell a promised good or service separately to a customer. The Company determines the stand-alone selling price based on observable price of products or services sold separately in comparable circumstances when such observable prices are available. When standalone selling price is not directly observable, the Company estimates the stand-alone selling price using the market assessment approach by considering historical pricing and other market factors.

Software Licenses

Software license revenues attributable to a software license that is a separate performance obligation are recognized at the point in time that the customer obtains control of the license.

Subscription Services

Subscription services revenues are associated with performance obligations that are satisfied over specific time periods and primarily consist of post-contract support services. Revenue is generally recognized ratably over the contract term. Our subscription contracts are generally for an initial three-year period with subsequent one-year automatic renewals.

Transaction Fees

Transaction revenue is comprised of fees applied to the volume of transactions that are processed through our SaaS platforms. These are typically based on a per-transaction rate and are invoiced for the same period in which the transactions were processed and as the performance obligation is satisfied. The amount invoiced generally equals the value provided to the customer, and revenue is typically recognized when invoiced using the as-invoiced practical expedient.

Professional Services

Professional service revenue primarily consists of fees for setup, customization, training, or consulting services. Professional service fees are generally on a time and materials basis or a fixed fee. Revenues for time and materials are recognized as such services are rendered, while fixed fee revenues are recognized based on the input method that is driven by the expected hours to complete the project measured against the actual hours completed to date. Professional services, particularly related to SaaS platforms, may have significant dependencies on the related licensed software and may not be considered a distinct performance obligation.

Risk Compliance Solutions

RCS revenues consist of two revenue streams - COI and consulting services. COI revenues are derived from consideration paid by customers for the creation and tracking of certificates of insurance. These revenues are transaction-based. Consulting services revenues are driven by distinct consulting service engagements rendered to customers, for which revenues are recognized using the output method on a time and material basis as the services are performed.

COI Creation and Tracking

The Company provides services to issue and track certificates of insurance in the U.S. and Australian markets. Revenue is derived from transaction fees for each certificate issued or tracked. The Company recognizes revenue at the issuance of each certificate or over the period the certificate is being tracked.

Consulting Services

The Company provides consulting services to clients around the world for project management and development. Consulting services fees are generally earned on either a time and materials basis or a fixed fee. Revenues for time and materials are recognized using an output method as the services are rendered, while fixed fee revenues are recognized based on the input method that is driven by the expected hours to complete the project measured against the actual hours completed to date.

Allowance for Doubtful Accounts Receivable

Management specifically analyzes the aging of accounts receivable and historical bad debts, write-offs, customer concentrations, customer credit-worthiness, current economic trends, and changes in our customer payment patterns when evaluating the adequacy of the allowance for doubtful accounts receivable.

Valuation of Goodwill

Goodwill represents the cost in excess of the fair value of the identifiable net assets from the businesses that we acquire. In accordance with the relevant FASB accounting guidance, goodwill is tested for impairment at the reporting unit level on an annual basis or on an interim basis if an event occurred or circumstances change that would indicate that fair value of a reporting unit decreased below its carrying value. Potential impairment indicators include a significant change in the business climate, legal factors, operating performance indicators, competition, customer retention and the sale or disposition of a significant portion of the business. The Company first assesses certain qualitative factors to determine whether the existence of events or circumstances would indicate that it is more likely than not that the fair value of our reporting unit was less than its carrying amount.

The aforementioned quantitative testing process involves comparing the reporting unit carrying values to their respective fair values. We determine fair value of our reporting unit by applying the discounted cash flow method using the present value of future estimated net cash flows, as well as applying the market capitalization method. If the fair value of a reporting unit exceeds its carrying value, then no further testing is required. However, if a reporting unit's fair value were to be less than its carrying value, we would then determine the amount of the impairment charge, if any, which would be the amount that the carrying value of the reporting unit's goodwill exceeded its implied value. We perform our annual goodwill impairment evaluation and testing as of October 1st of each year or when events or circumstances dictate more frequently.

The Company has considered the guidance within ASC 350 "*Goodwill and Other Intangible Assets*" and ASC 280 "*Segment Reporting*" in concluding that Ebix effectively operates as one reporting unit. There have been no goodwill impairments at the reporting unit level during the periods presented herein.

Projections of cash flows are based on our views of revenue growth rates, operating costs, anticipated future economic conditions, the appropriate discount rates relative to risk, and estimates of residual values and terminal values. We believe that our estimates are consistent with assumptions that marketplace participants would use in their estimates of fair value. The use of different estimates or assumptions for our projected discounted cash flows (e.g., revenue growth rates, future economic conditions, discount rates, and estimates of terminal values) when determining the fair value of our reporting unit could result in different values and may result in a goodwill impairment charge.

Income Taxes

We account for income taxes in accordance with FASB accounting guidance on the accounting and disclosure of income taxes, which involves estimating the Company's current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in our consolidated balance sheets. We then assess the likelihood that our net deferred tax assets will be recovered from future taxable income in the years in which those temporary differences are expected to be recovered or settled, and, to the extent we believe that recovery is not likely, we establish a valuation allowance.

On December 22, 2017, the TCJA was enacted, substantially changing the U.S. tax system and affecting the Company in a number of ways. Notably, the TCJA: establishes a flat corporate income tax rate of 21.0% on U.S. earnings; imposes a one-time tax on unremitted cumulative non-U.S. earnings of foreign subsidiaries ("Transition Tax"); imposes a new minimum tax on certain non-U.S. earnings, irrespective of the territorial system of taxation, and generally allows for the repatriation of future earnings of foreign subsidiaries without incurring additional U.S. taxes by transitioning to a territorial system of taxation; subjects certain payments made by a U.S. company to a related foreign company to certain minimum taxes (Base Erosion Anti-Abuse Tax); eliminates certain prior tax incentives for manufacturing in the United States and creates an incentive for U.S. companies to sell, lease or license goods and services abroad by allowing for a reduction in taxes owed on earnings related to

such sales; allows the cost of investments in certain depreciable assets acquired and placed in service after September 27, 2017 to be immediately expensed; and reduces deductions with respect to certain compensation paid to specified executive officers.

In March 2018, the FASB Issued ASU No. 2018-05, Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC SAB No. 118. ASU 2018-05 was issued to incorporate into Topic 740 recent SEC guidance related to the income tax accounting implications of the TCJA. Due to the complexities involved in accounting for the enactment of the TCJA, the SEC Staff had issued SAB No. 118 which allowed the Company to record provisional amounts in earnings for the year ended December 31, 2017. ASU 2018-05 became effective immediately and permitted companies to use provisional amounts for certain income tax effects of the TCJA during a one-year measurement period. The Transition Tax is based on the Company's total post-1986 earnings and profits that were previously deferred from U.S. income taxes. The Company completed its tax accounting for the TCJA during Q4 2018 and recorded an adjustment of \$24.5 million related to the transition tax after taking into consideration carried forward NOLs and other tax attributes available for set-off.

The Company does not recognize a deferred U.S. tax liability and associated income tax expense for the undistributed earnings of its foreign subsidiaries, which are considered indefinitely invested because those foreign earnings will remain permanently reinvested in those subsidiaries to fund ongoing operations and growth.

The Company follows the provisions of FASB accounting guidance on accounting for uncertain income tax positions. This guidance clarified the accounting for uncertainty in income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The guidance utilizes a two-step approach for evaluating tax positions. Recognition ("Step 1") occurs when an enterprise concludes that a tax position, based solely on its technical merits is more likely than not to be sustained upon examination. Measurement ("Step 2") is only addressed if Step 1 has been satisfied. Under Step 2, the tax benefit is measured at the largest amount of benefit, determined on a cumulative probability basis that is more likely than not to be realized upon final settlement. As used in this context, the term "more likely than not" is interpreted to mean that the likelihood of occurrence is greater than 50%.

Foreign Currency Translation

The functional currency for the Company's main foreign subsidiaries in Dubai and Singapore is the U.S. dollar, because the intellectual property research and development activities provided by its Singapore and Dubai subsidiaries support Ebix's operating divisions across the world.

The functional currency of the Company's other foreign subsidiaries is the local currency of the country in which the subsidiary operates. The assets and liabilities of these foreign subsidiaries are translated into U.S. dollars at the rates of exchange at the balance sheet dates. Income and expense accounts are translated at the average exchange rates in effect during the period. Gains and losses resulting from translation adjustments are included as a component of accumulated other comprehensive income in the accompanying consolidated balance sheets. Foreign exchange transaction gains and losses that are derived from transactions denominated in a currency other than the subsidiary's functional currency are included in the determination of net income.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Ebix, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Ebix, Inc. (the Company) as of December 31, 2022, and 2021, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the 'financial statements'). In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 15, 2023 expressed an unqualified opinion on the effectiveness of the company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below is matter arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Critical Audit Matter – 1, Goodwill

Description of the matter

Goodwill represents the cost in excess of the fair value of the identifiable net assets from the businesses that the company acquired.

The company's evaluation of goodwill for impairment involves the comparison of the fair value of reporting unit to its carrying value. The company uses the discounted cash flow model to estimate fair value, which requires management to make significant estimates and assumptions related to forecasts of future revenue and operating margin. In addition, the discounted cash flow model requires the company to select an appropriate weighted average cost of capital based on current market conditions as of December 31, 2022. Changes in these assumptions could have a significant impact on either the fair value, the amount of any goodwill impairment charge, or both.

How we addressed the matter in our audit

Our audit procedures related to the forecasts of future revenue and operating margin and the selection of the weighted average cost of capital used by management to estimate the fair value included the following, among others:

- a. We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value of the reporting unit, such as controls related to management's forecasts of future revenue and operating margin and the selection of the weighted average cost of capital. We also reviewed and relied upon the independent specialist report provided to us for impairment testing of Goodwill.

- b. With the assistance of our fair value specialists, we evaluated the reasonableness of the impairment models, methodology, and significant assumptions used by the Company, specifically the weighted average cost of capital including:
 - i. Testing the mathematical accuracy of the Company's calculation of the weighted average cost of capital.
 - ii. Developing a range of independent estimates and compared the weighted average cost of capital selected by management.
- c. We evaluated management's ability to accurately forecast future revenue and operating margin by comparing actual results to management's historical forecasts.

Critical Audit Matter – 2, Software as a Service (SaaS)

Description of the matter

Revenue from contracts with the customers includes use of company's proprietary SaaS platform. The contract for a SaaS platform generally includes sales of the Company's proprietary platforms and other software applications, professional services revenue derived from the setup, implementation and customization of software platforms, and post contract support ("PCS"). Judgment that the company exercises for determining revenue for standalone selling price (SSP) would include the following elements:

- a. Determination of whether products and services are considered distinct performance obligations that should be accounted for together or standalone, such as non-refundable upfront fees or customization related to the setup of the Company's proprietary SaaS and the related use of the SaaS.
- b. Determination of stand-alone selling prices (SSP) for each distinct performance obligation and for products and services that are not sold separately.
- c. Recognition of revenue basis the pattern and time of delivery for each distinct performance obligation.
- d. Estimation of contract duration period used to recognize revenue (e.g., economic life of contract, customer renewal periods, and period for which customers are deriving benefit from the product or service).

We identified the company's estimates and judgement for the recognition of SaaS revenue as a critical audit matter because auditing the identification and accounting for performance obligations, determination of initial transaction price and the calculation of the SSP for each performance obligation, and estimation of contract duration period required significant audit effort and a high degree of auditor judgment and subjectivity to perform our audit procedures and evaluate the audit evidence obtained.

How we addressed the matter in our audit

The audit procedures related to the company's SaaS revenue recognition included the following:

- Review of the effectiveness of internal controls related to SaaS contracts.
- Ensured that the company's policies are in compliance of the applicable accounting standards.
- Selected a sample of customer agreements and performed the following procedures:
 - Obtained and prepared synopsis of the standard agreements and variations thereof and noted the financial clauses relevant to accumulation of costs and corresponding revenue on composite or standalone basis.
 - Tested management's identification of significant terms for completeness, including the identification of distinct performance obligations and contract duration.
 - Reviewed the reasonableness of the basis for determination of standalone selling price (SSP).
 - Assessed the terms in the customer agreement and evaluated the appropriateness of management's application of Company accounting policies, along with the use of estimates, in the determination of revenue recognition conclusions.
- Tested the mathematical accuracy of computation of revenue and the point of time for recognizing revenue in the financial statements.

For K G Somani & Co LLP

PCAOB Registration ID: - 3199

ICAI FRN: - 006591N/N500377

/s/ B R Somani

B R Somani

Partner

Membership No.: - 080153 (UDIN:- 23080153BGZUDY9268)

We have served the company's auditor since 2021.

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New Delhi, India
March 15, 2023.

Ebix, Inc. and Subsidiaries
Consolidated Statements of Income

	Year Ended December 31,		
	2022	2021	2020
	(In thousands, except per share amounts)		
Operating revenue:	\$ 1,050,146	\$ 994,938	\$ 625,609
Operating expenses:			
Costs of services provided	721,515	705,390	343,262
Product development	41,188	40,015	35,267
Sales and marketing	17,369	14,434	13,835
General and administrative, net	131,199	100,911	87,537
Amortization and depreciation	18,531	15,178	13,738
Impairment of intangible asset	—	—	6,168
Total operating expenses	929,802	875,928	499,807
Operating income	120,344	119,010	125,802
Interest income	253	83	167
Interest expense	(55,068)	(41,370)	(31,578)
Non-operating (loss) income	(1,828)	(3,766)	153
Non-operating expense - litigation settlement	—	—	—
Foreign currency exchange loss, net	8,374	(434)	(387)
Income before income taxes	72,075	73,523	94,157
Income tax provision	(9,447)	(6,584)	(5,330)
Net income including noncontrolling interest	\$ 62,628	\$ 66,939	\$ 88,827
Net loss attributable to noncontrolling interest	(2,017)	(1,249)	(3,550)
Net income attributable to Ebix, Inc.	\$ 64,645	\$ 68,188	\$ 92,377
Basic earnings per common share	\$ 2.10	\$ 2.23	\$ 3.03
Diluted earnings per common share	\$ 2.10	\$ 2.22	\$ 3.02
Basic weighted average shares outstanding	30,761	30,625	30,510
Diluted weighted average shares outstanding	30,761	30,664	30,571

See accompanying notes to the consolidated financial statements.

Ebix, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
Net income including noncontrolling interest	\$ 62,628	\$ 66,939	\$ 88,827
Other comprehensive loss:			
Foreign currency translation adjustments	(97,415)	(20,519)	(23,105)
Total other comprehensive loss	(97,415)	(20,519)	(23,105)
Comprehensive income	\$ (34,787)	\$ 46,420	\$ 65,722
Comprehensive loss attributable to noncontrolling interest	(2,017)	(1,249)	(3,550)
Comprehensive income attributable to Ebix, Inc.	\$ (32,770)	\$ 47,669	\$ 69,272

See accompanying notes to the consolidated financial statements.

Ebix, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31,	
	2022	2021
	(In thousands, except share and per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,637	\$ 99,625
Receivables from service providers	4,223	1,352
Short-term investments	17,438	16,463
Restricted cash	8,210	9,080
Fiduciary funds - restricted	2,092	2,046
Trade accounts receivable, less allowances of \$18,167 and \$19,874, respectively	154,533	153,609
Other current assets	87,387	84,389
Total current assets	384,520	366,564
Property and equipment, net	52,448	47,903
Right-of-use assets	9,636	10,051
Goodwill	881,676	939,249
Intangibles, net	50,900	59,748
Indefinite-lived intangibles	16,647	16,647
Capitalized software development costs, net	15,343	15,068
Deferred tax assets, net	96,289	84,514
Other assets	30,096	33,505
Total assets	\$ 1,537,555	\$ 1,573,249
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 99,194	\$ 86,181
Payables to service agents	11,299	6,296
Accrued payroll and related benefits	10,651	11,360
Working capital facilities	3,367	5,607
Fiduciary funds - restricted	2,092	2,046
Revolving line of credit	449,902	—
Short-term debt	3,000	1,954
Current portion of long-term debt, net of deferred financing costs of \$469 and \$1,635, respectively	190,866	28,577
Contract liabilities	32,028	33,164
Lease liability	3,354	3,173
Other current liabilities	25,784	26,837
Total current liabilities	831,537	205,195
Revolving line of credit	—	439,402
Long-term debt, less current portion, net of deferred financing costs of \$— and \$261, respectively	160	184,676
Contingent liability for earn-out acquisition consideration	2,299	2,557
Contract liabilities	14,098	8,193
Lease liability	6,612	7,139
Deferred tax liability, net	1,150	1,150
Other liabilities	22,259	25,383

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Total liabilities	878,115	873,695
Stockholders' equity:		
Preferred stock, \$0.10 par value, 500,000 shares authorized, no shares issued and outstanding at December 31, 2022 and 2021	—	—
Series Y Convertible preferred stock, \$0.10 par value, 350,000 shares authorized, no shares issued and outstanding at December 31, 2022 and 2021	—	—
Common stock, \$0.10 par value, 220,000,000 shares authorized, 30,819,533 issued and outstanding at December 31, 2022 and 30,683,393 issued and outstanding at December 31, 2021	3,082	3,068
Additional paid-in capital	18,800	15,068
Retained earnings	814,780	759,208
Accumulated other comprehensive loss	(219,437)	(122,022)
Total Ebix, Inc. stockholders' equity	617,225	655,322
Noncontrolling interest	42,215	44,232
Total stockholders' equity	659,440	699,554
Total liabilities and stockholders' equity	\$ 1,537,555	\$ 1,573,249

See accompanying notes to the consolidated financial statements.

Ebix, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrol- ling interest	Total
	Issued Shares	Amount					
	(In thousands, except per share amounts)						
Balance, December 31, 2019	30,492,044	\$ 3,049	\$ 6,960	\$ 618,503	\$ (78,398)	\$ 49,331	\$ 599,445
Net income attributable to Ebix, Inc.	—	—	—	92,377	—	—	92,377
Net loss attributable to noncontrolling interest	—	—	—	—	—	(3,550)	(3,550)
Cumulative translation adjustment	—	—	—	—	(23,105)	—	(23,105)
Exercise of stock options	30,000	3	633	—	—	—	636
Repurchase and retirement of common stock	—	—	—	—	—	—	—
Deferred compensation and amortization related to options and restricted stock	—	—	4,792	—	—	—	4,792
Vesting of restricted stock	68,504	7	(7)	—	—	—	—
Forfeiture of certain shares to satisfy exercise costs and the recipients income tax obligations related to stock options exercised and restricted stock vested	(75,214)	(7)	(1,253)	(1,329)	—	—	(2,589)
Noncontrolling interest	—	—	—	—	—	1,343	1,343
Common stock dividends paid, \$0.30 per share	—	—	—	(9,245)	—	—	(9,245)
Balance, December 31, 2020	30,515,334	\$ 3,052	\$ 11,126	\$ 700,304	\$ (101,503)	\$ 47,125	\$ 660,104
Net income attributable to Ebix, Inc.	—	—	—	68,188	—	—	68,188
Net loss attributable to noncontrolling interest	—	—	—	—	—	(1,249)	(1,249)
Cumulative translation adjustment	—	—	—	—	(20,519)	—	(20,519)
Exercise of stock options	—	—	—	—	—	—	—
Deferred compensation and amortization related to options and restricted stock	—	—	5,360	—	—	—	5,360
Vesting of restricted stock	213,991	21	(21)	—	—	—	—
Forfeiture of certain shares to satisfy exercise costs and the recipients income tax obligations related to stock options exercised and restricted stock vested	(45,932)	(5)	(1,397)	—	—	—	(1,402)
Noncontrolling interest	—	—	—	—	—	(1,644)	(1,644)
Common stock dividends paid, \$0.30 per share	—	—	—	(9,284)	—	—	(9,284)

Balance, December 31, 2021	30,683,393	\$ 3,068	\$ 15,068	\$ 759,208	\$ (122,022)	\$ 44,232	\$ 699,554
Net income attributable to Ebix, Inc.	—	—	—	64,645	—	—	64,645
Net loss attributable to noncontrolling interest	—	—	—	—	—	(2,017)	(2,017)
Cumulative translation adjustment	—	—	—	—	(97,415)	—	(97,415)
Exercise of stock options	—	—	—	—	—	—	—
Deferred compensation and amortization related to options and restricted stock	—	—	3,874	—	—	—	3,874
Vesting of restricted stock	141,205	14	(14)	—	—	—	—
Forfeiture of certain shares to satisfy exercise costs and the recipients income tax obligations related to stock options exercised and restricted stock vested	(5,065)	—	(128)	—	—	—	(128)
Noncontrolling interest	—	—	—	—	—	—	—
Common stock dividends paid, \$0.30 per share	—	—	—	(9,271)	—	—	(9,271)
Balance, December 31, 2022	30,819,533	\$ 3,082	\$ 18,800	\$ 814,780	\$ (219,437)	\$ 42,215	\$ 659,440

See accompanying notes to the consolidated financial statements.

Ebix, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
Cash flows from operating activities:			
Net income attributable to Ebix, Inc.	\$ 64,645	\$ 68,188	\$ 92,377
Net loss attributable to noncontrolling interest	(2,017)	(1,249)	(3,550)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,531	15,178	13,738
(Benefit) provision for doubtful accounts	1,433	(2,334)	1,749
(Benefit) provision for deferred taxes, net of acquisitions and effects of currency translation	(17,972)	(11,104)	5,114
Amortization of right-of-use assets	3,557	4,294	6,100
Amortization of capitalized software development costs	2,983	3,317	3,367
Share-based compensation	3,875	5,360	4,792
Reduction of acquisition earn-out contingent liability	—	—	(3,105)
Cash paid for acquisition earn-out	—	—	(6,453)
Intangible asset impairment	—	—	6,168
Changes in assets and liabilities, net of effects from acquisitions:			
Accounts receivable	(15,049)	(10,866)	3,258
Receivables from service providers	(2,871)	3,359	20,896
Payables to service agents	5,003	1,015	(6,915)
Other assets	(8,409)	(17,305)	(10,487)
Accounts payable and accrued expenses	21,183	18,545	(14,569)
Accrued payroll and related benefits	(56)	(143)	2,100
Lease liabilities	(3,460)	(3,951)	(5,700)
Reserve for potential uncertain income tax return positions	—	(2,071)	—
Contract liabilities	6,722	694	3,680
Other liabilities	(531)	(1,456)	(12,204)
Net cash provided by operating activities	77,567	69,471	100,356
Cash flows from investing activities:			
Cash paid for acquisitions, net of cash acquired	—	—	(14,276)
Maturities (purchases) of unrestricted marketable securities, net	(968)	8,567	(20,964)
Capitalized software development costs	(7,051)	(5,700)	(4,229)
Capital expenditures	(14,476)	(7,465)	(5,337)
Net cash used in investing activities	(22,495)	(4,598)	(44,806)
Cash flows from financing activities:			
Proceeds from revolving line of credit, net	10,500	—	1,364
Principal payments of term loan obligation	(23,464)	(42,594)	(20,711)
Working capital facilities	(1,765)	(10,913)	(10,927)
Proceeds (payments) of short-term debt, net	1,147	1,075	(271)
Payments of finance lease obligations, net	(190)	(100)	(210)
Proceeds from exercise of common stock options	—	—	636

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Forfeiture of certain shares to satisfy exercise costs and the recipients income tax obligations related to stock options exercised and restricted stock vested	(128)	(1,402)	(2,589)
Dividend payments	(9,271)	(9,284)	(9,245)
Net cash (used in) provided by financing activities	(23,171)	(63,218)	(41,953)
Effect of foreign exchange rates on cash and cash equivalents	(21,706)	(7,104)	(4,753)
Net change in cash and cash equivalents, and restricted cash	10,195	(5,449)	8,844
Cash and cash equivalents, and restricted cash at the beginning of the year	114,764	120,213	111,369
Cash and cash equivalents, and restricted cash at the end of the year	\$ 124,959	\$ 114,764	\$ 120,213
Supplemental disclosures of cash flow information:			
Interest paid	\$ 33,244	\$ 30,369	\$ 29,498
Income taxes paid	\$ 24,201	\$ 17,675	\$ 21,321

See accompanying notes to the consolidated financial statements.

Ebix, Inc. and Subsidiaries

Supplemental schedule of noncash financing activities:

During 2022, there were 5,065 shares, totaling \$128 thousand, used to satisfy exercise costs and the recipients' income tax obligations related to stock options exercised and restricted stock vesting.

During 2021, there were 45,932 shares, totaling \$1.4 million, used to satisfy exercise costs and the recipients' income tax obligations related to stock options exercised and restricted stock vesting.

During 2020, there were 75,214 shares, totaling \$2.6 million, used to satisfy exercise costs and the recipients' income tax obligations related to stock options exercised and restricted stock vesting.

See accompanying notes to consolidated financial statements.

Ebix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of Business— Ebix, Inc. and its subsidiaries, (“Ebix” or the “Company”, “we”, “us”, and “our”) is a leading international supplier of on-demand infrastructure exchanges to the insurance, financial services, travel, and healthcare industries. In the insurance industry, the Company’s main focus is to develop and deploy a wide variety of insurance and reinsurance exchanges on an on-demand basis using software-as-a-service (“SaaS”) enterprise solutions in the areas of customer relationship management (“CRM”), front-end and back-end systems, and outsourced administrative and risk compliance. The Company's products feature fully customizable and scalable software solutions designed to streamline the way insurance and financial industry professionals manage distribution, marketing, sales, customer service, and accounting activities. With a “Phygital” strategy that combines physical distribution outlets in India and many Association of Southeast Asian Nations (ASEAN) countries to an Omni-channel online digital platform, the Company’s EbixCash financial exchange portfolio of software and services encompasses domestic and international money remittance, foreign exchange (“Forex”), travel, pre-paid gift cards, utility payments, lending, and wealth management in India and other ASEAN markets. The Company has its headquarters in Johns Creek, Georgia and also conducts operating activities in Australia, Brazil, Canada, India, Indonesia, New Zealand, the Philippines, Singapore, the United Arab Emirates, and the United Kingdom. International revenue accounted for 85.3%, 84.4%, and 73.4% of the Company’s total revenue in 2022, 2021, and 2020, respectively.

EbixCash Exchanges

EbixCash revenues are primarily derived from the sales of prepaid gift cards and consideration paid by customers for financial transaction services, including services for transferring or exchanging money, and travel transaction services. The significant majority of EbixCash revenue is for a single performance obligation and is recognized at a point in time. These revenues vary by transaction based upon channel, send and receive locations, the principal amount sent, whether the money transfer involves different send and receive currencies, and speed of service, as applicable.

EbixCash also offers several other services, including payment services and ticketing and travel services for which revenue is impacted by various factors. EbixCash acts as the principal in most transactions and reports revenue on a gross basis, as EbixCash controls the service at all times prior to transfer to the customer, is primarily responsible for fulfilling the customer contracts, has the risk of loss, and has the ability to establish transaction prices.

The main services from which EbixCash derives revenue are as follow:

Gift Cards

EbixCash sells general purpose prepaid gift cards to corporate customers and consumers that can be later redeemed at various merchants. The gift cards are co-branded between EbixCash and its card-issuing banking partners and are affiliated with major payment associations such as VISA, Mastercard, and Rupay. The gift cards are sold to a diversified set of corporate customers from various industries. The gift cards are used by corporate customers to disburse incentives to the end users, which are primarily their employees, agents and business associates. The gift cards sold by EbixCash are not reloadable, cannot be used at ATMs or for any other cash-out or funds transfer transactions, and are subject to maximum limits per card (currently INR10,000 or approximately \$120). Gift cards issued by EbixCash are valid for a period of 15 months from the date of issuance for virtual cards and three years for physical cards. EbixCash has entered into arrangements with banks and financial institutions to settle payments to merchants based on utilization of the gift cards.

The Company has end-to-end responsibilities related to the gift cards sold, from the activation and ongoing utilization of the gift cards to customer service responsibilities to risk of loss due to fraud on the gift cards sold. EbixCash acts a principal in the sale of gift cards and, thus, gift card revenue is recognized on a gross basis (full purchase value at the time of sale) with the corresponding cost of the gift cards recorded as cost of services provided. Unredeemed gift cards at December 31, 2022 totaled approximately \$5.4 million and are recorded as deferred revenues in the financial results.

EbixCash Travel Exchanges

EbixCash Travel revenues are primarily derived from commissions and transaction fees received from various travel providers and international exchanges involved in the sale of travel to the consumer. EbixCash Travel revenue is for a single

performance obligation and is recognized at a point in time. Travel revenues include: (i) reservation commissions, segment fees from global travel exchange providers, and transaction net revenues (i.e., the amount charged to travelers less the amount owed to travel service providers) in connection with our reservation services; (ii) ancillary fees, including travel insurance-related revenues and certain reservation booking fees; and (iii) credit card processing rebates and customer processing fees. EbixCash Travel services include the sale of hotel rooms, airline tickets, bus tickets and train tickets. EbixCash's Travel revenue is also derived from ticket sales, wherein the commissions payable to EbixCash Travel, along with any transaction fees paid by travel providers and travel exchanges, is recognized as revenue after completion of the service. The transaction price on such services is agreed upon at the time of the purchase.

EbixCash Travel revenue for the corporate meetings, incentives, conferences, and exhibitions ("MICE") packages is recognized at full purchase value at the completion of the obligation with the corresponding costs recorded under cost of services provided. For MICE revenues, EbixCash Travel acts as the principal in transactions and, accordingly, reports revenue on a gross basis. EbixCash Travel controls the service at all times prior to transfer to the customer, is responsible for fulfilling the customer contracts, has the risk of loss, and has the ability to establish transaction prices.

EbixCash Money Transfer

For the EbixCash money transfer business, EbixCash has one performance obligation whereupon the customer engages EbixCash to perform one integrated service. This performance obligation typically occurs instantaneously when the beneficiary entitled to receive the money transferred by the sender visits the EbixCash outlet and collects the money. Accordingly, EbixCash recognizes revenue upon completion of the following: (i) the customer's acknowledgment of EbixCash's terms and conditions and the receipt of payment information; (ii) the money transfer has been processed; (iii) the customer has received a unique transaction identification number; and (iv) funds are available to be picked up by the beneficiary. The transaction price is comprised of a transaction fee and the difference between the exchange rate set by EbixCash to the customer and the rate available in the wholesale foreign exchange market, as applicable, both of which are readily determinable at the time the transaction is initiated.

Foreign Exchange and Outward Remittance Services

For EbixCash's foreign exchange and payment services, customers agree to terms and conditions for all transactions, either at the time of initiating a transaction or signing a contract with EbixCash to provide payment services on the customer's behalf. In the majority of EbixCash's foreign exchange and payment services, EbixCash makes payments to the recipient to satisfy its performance obligation to the customer and, therefore, EbixCash recognizes revenue on foreign exchange and payment when this performance obligation has been fulfilled.

Consumer Payment Services

EbixCash offers several different bill payment services that vary by considerations, including among other factors: (i) who pays the fee to EbixCash (consumer or biller); (ii) whether the service is offered to all consumers; (iii) whether the service is restricted to existing biller relationships of EbixCash; and (iv) whether the service utilizes a physical agent network offered for consumers' convenience. The determination of which party is EbixCash's customer for revenue recognition purposes is based on these considerations for each of EbixCash's bill payment services. For all transactions EbixCash's customers agree to EbixCash's terms and conditions, either at the time of initiating a transaction (where the consumer is determined to be the customer for revenue recognition purposes) or upon signing a contract with EbixCash to provide services on the biller's behalf (where the biller is determined to be the customer for revenue recognition purposes). As with consumer money transfers, customers engage EbixCash to perform one integrated service - collecting money from the consumer and processing the bill payment transaction. This service provides the billers real-time or near real-time information regarding their customers' payments and simplifies the billers' collection efforts. The transaction price on bill payment services is contractual and determinable. Certain biller agreements may include per-transaction or fixed periodic rebates, which EbixCash records as a reduction to revenue.

EbixCash Technology Services

EbixCash also offers on-demand technology to various providers in the area of lending, wealth and asset management, and travel across the world. Additionally, EbixCash provides IT and call center outsourcing services to companies in a variety of industries, both in India and globally. The EbixCash technology software solutions are generally delivered on a SaaS subscription and/or transaction based pricing model. Please see below under "Insurance Exchanges" a description of revenue recognition policies for Software as a Service, Subscription and Transaction Fees, which are similar to how EbixCash technology software solutions revenues are recognized. For IT and call center outsourcing services provided by EbixCash

businesses, revenues are generally recognized on a time and materials or fixed fee basis. Revenues for time and materials are recognized as such services are rendered, while fixed fee revenues are recognized based on the input method driven by the expected hours to complete the project measured against the actual hours completed to date.

Insurance Exchanges

Insurance Exchanges revenues are primarily derived from consideration paid by customers related to our SaaS platforms, related services and the licensing of software. A typical contract for our SaaS platform will also include services for setup, customization, transaction processing, maintenance, and/or hosting. Determining whether products and services are considered distinct performance obligations that should be accounted for separately may require significant judgment. Set-up and customization services related to our SaaS platforms are not considered to be distinct from the usage fees associated with the SaaS platform and, accordingly, are accounted for as a single performance obligation. These services, along with the usage or transaction fees, are recognized over the contract duration, which considers the significance of the upfront fees in the context of the contract and which may, therefore, exceed the initial contracted term. A customer's transaction volume tends to remain fairly consistent during the contract period without significant fluctuations. The invoiced amount is a reasonable approximation of the revenue that would be allocated to the related period under the variable consideration guidelines in ASC 606-10-32-40. To the extent that a SaaS contract includes subscription services or professional services, apart from the upfront customization, these are considered separate performance obligations. The Company also has separate software licensing (on premise/perpetual), unrelated to the SaaS platforms, which is recognized at a point in time when the license is transferred to the customer.

Contracts generally do not contain a right of return or refund provisions. Our contracts often do contain overage fees, contingent fees, or service level penalties which are accounted for as variable consideration. Revenue accounted for as variable consideration is immaterial and is recognized using the "right to invoice" practical expedient when the invoiced amount equals the value provided to the customer.

Software-as-a-Service

The Company allocates the transaction price to each distinct performance obligation using the relative stand-alone selling price. Determining the stand-alone selling price may require significant judgment. The stand-alone selling price is the price at which an entity has sold or would sell a promised good or service separately to a customer. The Company determines the stand-alone selling price based on observable price of products or services sold separately in comparable circumstances when such observable prices are available. When standalone selling price is not directly observable, the Company estimates the stand-alone selling price using the market assessment approach by considering historical pricing and other market factors.

Software Licenses

Software license revenues attributable to a software license that is a separate performance obligation are recognized at the point in time that the customer obtains control of the license.

Subscription Services

Subscription services revenues are associated with performance obligations that are satisfied over specific time periods and primarily consist of post-contract support services. Revenue is generally recognized ratably over the contract term. Our subscription contracts are generally for an initial three-year period with subsequent one-year automatic renewals.

Transaction Fees

Transaction revenue is comprised of fees applied to the volume of transactions that are processed through our SaaS platforms. These fees are typically based on a per-transaction rate and are invoiced for the same period in which the transactions were processed and as the performance obligation is satisfied. The amount invoiced generally equals the value provided to the customer, and revenue is typically recognized when invoiced using the as-invoiced practical expedient.

Professional Services

Professional service revenue primarily consists of fees for setup, customization, training, or consulting services. Professional service fees are generally on a time and materials basis or a fixed fee basis. Revenues for time and materials are recognized as such services are rendered, while fixed fee revenues are recognized based on the input method that is driven by

the expected hours to complete the project measured against the actual hours completed to date. Professional services, particularly related to SaaS platforms, may have significant dependencies on the related licensed software and may not be considered a distinct performance obligation.

Risk Compliance Solutions

RCS revenues consist of two revenue streams - certificates of insurance ("COI") and consulting services. COI revenues are derived from consideration paid by customers for the creation and tracking of certificates of insurance. These revenues are transaction-based. Consulting services revenues are driven by distinct consulting service engagements rendered to customers, for which revenues are recognized using the output method on a time and material basis as the services are performed.

COI Creation and Tracking

The Company provides services to issue and track certificates of insurance in the U.S. and Australian markets. Revenue is derived from transaction fees for each certificate issued or tracked. The Company recognizes revenue at the issuance of each certificate or over the period the certificate is being tracked.

Consulting Services

The Company provides consulting services to clients around the world for project management, integration, development and testing. Consulting services fees are generally earned on a time and materials basis or a fixed fee basis. Revenues for time and materials are recognized using an output method as the services are rendered, while fixed fee revenues are recognized based on the input method that is driven by the expected hours to complete the project measured against the actual hours completed to date.

Summary of Significant Accounting Policies

Basis of Presentation — The consolidated financial statements include the accounts of Ebix and its wholly and majority-owned subsidiaries. Noncontrolling interests in net income or losses and net equity are reported in amounts that reflect the noncontrolling party(ies) percentage ownership in the respective subsidiaries. The effect of intercompany balances and transactions has been eliminated.

Use of Estimates — The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and reported amounts of revenue and expenses during those reporting periods. Management has made material estimates primarily with respect to revenue recognition and contract liabilities, accounts receivable, acquired intangible assets, annual impairment reviews of goodwill and indefinite-lived intangible assets, contingent earn-out liabilities in connection with business acquisitions, and the provision for income taxes. Actual results may be different from those estimates.

Reclassification — Certain prior year amounts have been reclassified to be consistent with current year presentation within our consolidated financial statements.

Segment Reporting — Since the Company, from the perspective of its chief operating decision maker, allocates resources and evaluates business performance as a single entity on a worldwide basis, the Company reports as a single segment. The applicable enterprise-wide disclosures are included in Note 14.

Cash and Cash Equivalents — The Company considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. Such investments are stated at cost, which approximates fair value. The Company does maintain cash balances in banking institutions in excess of federally insured amounts and therefore is exposed to the related potential credit risk associated with such cash deposits.

Short-term Investments — The Company's primary short-term investments consist of certificates of deposits with established commercial banking institutions in India that have readily determinable fair values. Ebix accounts for such investments that are reasonably expected to be realized in cash, sold or consumed during the year as short-term investments that are available-for-sale. The carrying amount of investments in marketable securities approximates their fair value. The carrying value of our short-term investments was \$17.4 million and \$16.5 million at December 31, 2022 and 2021, respectively.

Restricted Cash — The carrying value of our restricted cash was \$8.2 million and \$9.1 million at December 31, 2022 and 2021, respectively. The Company holds fixed deposits pledged with banks for issuance of bank guarantees and letters of credit related to its India operations for our working capital facilities.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the amounts shown in the consolidated statements of cash flows:

	As of December 31,		
	2022	2021	2020
	(In thousands)		
Cash and cash equivalents	\$ 110,637	\$ 99,625	105,035
Restricted cash	8,210	9,080	8,519
Restricted cash included in other long-term assets	6,112	6,059	6,659
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	\$ 124,959	\$ 114,764	\$ 120,213

Fiduciary Funds - Restricted — Due to the EbixHealth JV being a third party administrator (“TPA”), the Company collects premiums from insureds and, after deducting its fees, remits these premiums to insurance companies. Unremitted insurance premiums and/or claim funds established for the benefit of various carriers are held in a fiduciary capacity until disbursed by the Company. The use of premiums collected from insureds but not yet remitted to insurance companies is restricted by law in certain states. The total assets held on behalf of others, \$2.1 million and \$2.0 million at December 31, 2022 and 2021, respectively, are recorded as an asset and offsetting fiduciary funds - restricted liability.

Fair Value Measurements — The Company follows the relevant GAAP guidance regarding the determination and measurement of the fair value of assets/liabilities in which fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction valuation hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance describes the following three levels of inputs that may be used in the methodology to measure fair value:

- **Level 1** — Unadjusted quoted prices available in active markets for identical investments to the reporting entity at the measurement date.
- **Level 2** — Other than quoted prices included in Level 1 inputs, which are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- **Level 3** — Unobservable inputs, which are used to the extent that observable inputs are not available, and used in situations where there is little or no market activity for the asset or liability and wherein the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

As of December 31, 2022 and 2021, the Company has the following financial instruments for which it had to consider fair values and had to make fair value assessments:

- Short-term investments (commercial bank certificates of deposits and mutual funds), for which the fair values are measured as a Level 1 instrument.
- Contingent accrued earn-out business acquisition consideration liabilities for which fair values are measured as Level 3 instruments. These contingent consideration liabilities were recorded at fair value on the acquisition date and are remeasured quarterly based on the then assessed fair value and adjusted if necessary. The increases or decreases in the fair value of contingent consideration can result from changes in anticipated revenue levels and changes in assumed discount periods and rates. As the fair value measure is based on significant inputs that are not observable in the market, they are categorized as Level 3.

Other financial instruments not measured at fair value on the Company's consolidated balance sheets at December 31, 2022 and 2021, but which require disclosure of their fair values include: cash and cash equivalents, accounts receivable,

accounts payable and accrued expenses, accrued payroll and related benefits, finance lease obligations, and the revolving line of credit and term loan debt. The Company believes that the estimated fair value of such instruments at December 31, 2022 and 2021 reasonably approximates their carrying value as reported on the consolidated balance sheets.

Additional information regarding the Company's assets and liabilities that are measured at fair value on a recurring basis is presented in the following tables:

Descriptions	Fair Values at Reporting Date Using*			
	Balance at December 31, 2022	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In thousands)				
Assets				
Commercial bank certificates of deposits (\$6.4 million is recorded in the long-term asset section of the consolidated balance sheets in "Other assets")	\$ 37,434	\$ —	\$ 37,434	\$ —
Mutual funds	98	98	—	—
Total assets measured at fair value	\$ 37,532	\$ 98	\$ 37,434	\$ —
Liabilities				
Contingent earn-out acquisition consideration (a)	2,299	—	—	2,299
Total liabilities measured at fair value	\$ 2,299	\$ —	\$ —	\$ 2,299

(a) The income valuation approach is applied and the valuation inputs include the contingent payment arrangement terms, projected cash flows, rate of return, and probability assessments.

* During the year ended December 31, 2022, there were no transfers between fair value Levels 1, 2 or 3.

Descriptions	Fair Values at Reporting Date Using*			
	Balance at December 31, 2021	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In thousands)				
Assets				
Commercial bank certificates of deposits (\$7.4 million is recorded in the long-term asset section of the consolidated balance sheets in "Other assets")	\$ 31,676	—	31,676	—
Mutual Funds	167	167	—	—
Total assets measured at fair value	\$ 31,843	\$ 167	\$ 31,676	\$ —
Liabilities				
Contingent earn-out acquisition consideration	2,557	—	—	2,557
Total liabilities measured at fair value	\$ 2,557	\$ —	\$ —	\$ 2,557

* During the year ended December 31, 2021, there were no transfers between fair value Levels 1, 2 or 3.

For the Company's assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3), the following table provides a reconciliation of the beginning and ending balances for each category therein, and gains or losses recognized during the year:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Contingent Liability for Accrued Earn-out Acquisition Consideration	Balance at December 31, 2022	Balance at December 31, 2021
	(In thousands)	
Beginning balance	\$ 2,557	—
Total remeasurement adjustments:		
(Gains) or losses included in earnings *	—	—
Remeasurement against goodwill		2560
Foreign currency translation adjustments **	(258)	(3)
Acquisitions and settlements		
Settlements	—	—
Ending balance	\$ 2,299	\$ 2,557
The amount of total (gains) or losses for the year included in earnings or changes to net assets, attributable to changes in unrealized (gains) or losses relating to assets or liabilities still held at year-end.	\$ —	\$ —

* recorded as a component of general and administrative expenses

** recorded as a component of other comprehensive income within stockholders' equity

Quantitative Information about Level 3 Fair Value Measurements

The significant unobservable inputs used in the fair value measurement of the Company's contingent consideration liabilities designated as Level 3 are as follows:

(In thousands)	Fair Value at December 31, 2022	Valuation Technique	Significant Unobservable Input
Contingent acquisition consideration	\$2,299	Discounted cash flow	Expected future annual revenue streams and probability of achievement

(In thousands)	Fair Value at December 31, 2021	Valuation Technique	Significant Unobservable Input
Contingent acquisition consideration	\$2,557	Discounted cash flow	Expected future annual revenue streams and probability of achievement

Sensitivity to Changes in Significant Unobservable Inputs

As presented in the table above, the significant unobservable inputs used in the fair value measurement of contingent consideration related to business acquisitions are forecasts of expected future annual revenues as developed by the Company's management and the probability of achievement of those revenue forecasts. The discount rate used in these calculations is 12.7%. Significant increases (decreases) in these unobservable inputs in isolation would likely result in a significantly (lower) higher fair value measurement.

Revenue Recognition and Contract Liabilities — The Company derives its revenues primarily from software subscription and transaction fees, software license fees, financial transaction fees, risk compliance solutions services fees, and professional service fees, including associated fees for consulting, implementation, training, and project management provided to customers with installed systems and applications. Sales and value-added taxes are not included in revenues, but rather are recorded as a liability until the taxes assessed are remitted to the respective taxing authorities.

The Company determines revenue recognition by applying the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

The Company analyzes its different services individually to determine the appropriate basis for revenue recognition, as further described earlier in this footnote. Additionally, certain services exist in multiple channels. As Ebix derives revenues from three product/service channels, EbixCash Exchanges, Insurance Exchanges, and Risk Compliance Solutions, for policy disclosure purposes, contracts are discussed in conjunction with the channel to which they are most significant.

The Company assesses the terms of customer contracts, including termination rights, penalties (implied or explicit), and renewal rights.

Disaggregation of Revenue

The following tables present revenue disaggregated by primary geographical regions and product channels for the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
India*	804,177	755,543	378,660
United States	154,341	155,346	166,320
Australia	32,287	37,820	33,846
Latin America	18,348	12,901	14,801
Europe	15,956	16,366	13,145
Indonesia*	7,159	1,981	3,206
Canada*	5,680	5,333	4,383
Singapore*	4,294	3,875	3,969
Philippines*	3,405	1,784	2,140
United Arab Emirates*	2,584	1,982	3,335
New Zealand	1,915	2,007	1,804
	\$1,050,146	\$ 994,938	\$ 625,609

*Includes India led businesses for which total revenue was \$818.0 million, \$762.3 million and \$388.3 million for the years ended December 31, 2022, 2021, and 2020, respectively.

The Company’s revenues are derived from three product/service groups. Presented in the table below is the breakout of our revenue streams for each of those product/service groups for the years ended December 31, 2022, 2021, and 2020.

<i>(In thousands)</i>	For the Year Ended		
	December 31,		
	2022	2021	2020
EbixCash Exchanges	\$ 797,805	\$ 749,774	\$ 386,564
Insurance Exchanges	171,156	171,087	174,424
Risk Compliance Solutions	81,185	74,077	64,621
Totals	<u>\$1,050,146</u>	<u>\$ 994,938</u>	<u>\$ 625,609</u>

Costs to Obtain and Fulfill a Contract

The Company’s capitalized costs are primarily derived from the fulfillment of SaaS-related setup and customizations from which the customer receives benefit through continued access to and use of the SaaS product platforms. In accordance with the guidance in ASC 340-40-25-5, we capitalize the costs directly related to the setup and development of these customizations, which satisfy the Company’s performance obligation with respect to access to the Company’s underlying product platforms. The capitalized costs primarily consist of the salaries of the developers directly involved in fulfilling the project and are solely based on the time spent on that project. The Company amortizes the capitalized costs ratably over the expected useful life of the related customizations, matching our treatment for the related revenue, and the capitalized costs are recoverable from profit margin included in the contract. As of December 31, 2022, and 2021 the Company had \$486 thousand and \$910 thousand, respectively, of contract costs in “Other current assets” and \$797 thousand and \$912 thousand, respectively, in “Other assets” on the Company’s consolidated balance sheets.

(In thousands)	December 31, 2022	December 31, 2021
Balance, beginning of period	\$ 1,822	\$ 1,630
Costs recognized from beginning balance	(968)	(534)
Additions, net of costs recognized	430	726
Balance, end of period	<u>\$ 1,284</u>	<u>\$ 1,822</u>

Contract Liabilities

Contract liabilities include payments or billings that have been received or made prior to performance. In certain cases cash collections pertain to maintenance and support fees, initial setup or registration fees under hosting agreements, software license fees received in advance of delivery and acceptance, and software development fees paid in advance of completion and delivery. Approximately \$8.0 million and \$6.3 million of contract liabilities were included in billed accounts receivable at December 31, 2022 and 2021, respectively.

The Company records contract liabilities when it receives payments or invoices in advance of the performance of services. A significant portion of this balance relates to contracts where the customer has paid in advance for the use of our SaaS platforms over a specified period of time. This portion is recognized as the related performance obligation is fulfilled (generally less than one year). Part of our performance obligation for these contracts consists of the requirement to provide our customers with continued access to, and use of, our SaaS platforms and associated customizations. Without continued access to the SaaS platform, the customizations have no separate benefit to the customer. Our customers simultaneously receive and consume the benefits as we provide access over time. The remaining portion of the contract liabilities balance consists primarily

of customer-specific customizations that are not distinct from related performance obligations that transfer over time. This portion is recognized over the expected useful life of the customizations.

(In thousands)	December 31, 2022	December 31, 2021
Balance, beginning of period	\$ 41,357	\$ 40,930
Revenue recognized from beginning balance	(30,460)	(30,922)
Additions, net of revenue recognized and currency translation	35,229	31,349
Balance, end of period	<u>\$ 46,126</u>	<u>\$ 41,357</u>

Revenue Allocated to Remaining Performance Obligations

The following table presents our estimated revenue allocated to remaining performance obligations for contracted revenue that has not yet been recognized, representing our “contractually committed” revenue as of December 31, 2022 that we will transfer from contract liabilities and recognize in future periods:

<i>Estimated Revenue (In thousands):</i>	
For the year ending December 31, 2023	5,317
For the year ending December 31, 2024	3,167
For the year ending December 31, 2025	2,034
For the year ending December 31, 2026	1,167
For the year ending December 31, 2027	426
	<u>\$ 12,111</u>

Our contractually committed revenue, for purposes of the tabular presentation above, is generally limited to service customer contracts with significant programming, setup, and implementation activities related to our SaaS offerings. Our contractually committed revenue amounts generally exclude, based on the following practical expedients that we elected to apply, remaining performance obligations for: (i) contracts with an original expected duration of one year or less; and (ii) contracts for which we recognize revenue at the amount for which we have the right to invoice for services performed.

Accounts Receivable and the Allowance for Doubtful Accounts Receivable — Reported accounts receivable as of December 31, 2022 include \$99.2 million of trade receivables stated at invoice billed amounts and \$55.2 million of unbilled receivables (net of a \$18.2 million estimated allowance for doubtful accounts receivable). Reported accounts receivable at December 31, 2021 include \$103.3 million of trade receivables stated at invoice billed amounts and \$50.1 million of unbilled receivables (net of a \$19.9 million estimated allowance for doubtful accounts receivable). The Company records a contract asset when revenue recognized on a contract exceeds the billings. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. These contract assets are primarily related to project-based revenue where we recognize revenue using the input method calculated using expected hours to complete the project measured against the actual hours completed to date. Management specifically analyzes accounts receivable and historical bad debts, write-offs, customer concentrations, customer credit-worthiness, current economic trends and changes in our customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. Bad debt expense (recovery) was \$1.4 million, \$(2.3) million, and \$1.7 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Costs of Services Provided — Costs of services provided consist of data processing costs, customer support costs, including personnel costs to maintain our proprietary databases, costs to provide customer call center support, hardware and software expense associated with transaction processing systems and exchanges, telecommunication and computer network expense, and occupancy costs associated with facilities where these functions are performed. Cost of services provided also include the direct expenses associated with our services businesses, including the cost of prepaid gift cards, the cost of travel services provided and the cost of foreign exchange and remittance transactions. Depreciation expense is not included in costs of services provided.

Capitalized Software Development Costs — In accordance with ASC 985-20 “Software” and ASC 350-40 “Internal-Use Software”, the Company expenses costs as they are incurred until technological feasibility has been established. The cost

incurred thereafter are carried forward until the product is available for general release to customers when it is capitalized under the head ‘Intangible Assets, Net’.

Goodwill and Indefinite-Lived Intangible Assets — Goodwill represents the cost in excess of the fair value of the identifiable net assets from the businesses that we acquire. In accordance with ASC 350, “*Goodwill and Other Intangible Assets*” and ASU No. 2011-08, “*Testing Goodwill for Impairment*”, goodwill is tested for impairment at the reporting unit level on an annual basis or on an interim basis if an event occurred or circumstances change that would indicate that fair value of our reporting unit decreased below its carrying value. Potential impairment indicators include a significant change in the business climate, legal factors, operating performance indicators, competition, customer retention and the sale or disposition of a significant portion of the business. The Company applies the accounting guidance concerning goodwill impairment evaluation, whereby the Company first assesses certain qualitative factors to determine whether the existence of events or circumstances would indicate that it is more likely than not that the fair value of a reporting unit was less than its carrying amount. If after assessing the totality of events and circumstances, we were to determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then we would perform quantitative impairment testing.

We perform our annual goodwill impairment evaluation and testing as of October 1st of each year or, when events or circumstances dictate, more frequently. No goodwill impairments have occurred nor recognized in 2022 or 2021.

The Company has considered the guidance within ASC 350 “*Goodwill and Other Intangible Assets*” and ASC 280 “*Segment Reporting*” in concluding that Ebix effectively operates as one operating and reportable segment and one reporting unit.

Changes in the carrying amount of goodwill for the years ended December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
	(In thousands)	
Beginning Balance	\$ 939,249	\$ 949,037
Additions for current year acquisitions	—	—
Adjustments for final purchase accounting	—	1,201
Foreign currency translation adjustments	(57,573)	(10,989)
Ending Balance	<u>\$ 881,676</u>	<u>\$ 939,249</u>

The Company’s indefinite-lived assets are primarily associated with the estimated fair value of the contractual customer relationships existing with the property and casualty insurance carriers in Australia using the Company’s property and casualty (“P&C”) data exchange. Indefinite-lived intangible assets are not amortized, but rather are tested for impairment annually and tested on an interim basis if a triggering event has occurred.

We perform our annual impairment testing of indefinite-lived intangible assets as of October 1st of each year. The annual impairment testing of indefinite-lived intangible assets is performed by comparing the asset’s fair value to its carrying value. An impairment charge is recognized if the asset’s estimated fair value is less than its carrying value.

To estimate the fair value, we utilize cash flow projections. Projections of cash flows are based on our views of revenue growth rates, operating costs, anticipated future economic conditions, the appropriate discount rates relative to risk, and estimates of residual values and terminal values. We believe that our estimates are consistent with assumptions that marketplace participants would use in their estimates of fair value. The use of different estimates or assumptions for our projected discounted cash flows (e.g., revenue growth rates, future economic conditions, discount rates, and estimates of terminal values) when determining the fair value of our reporting unit could result in different values and may result in a goodwill impairment charge.

During the years ended December 2022, and 2021, we had no impairments to the recorded balances of our indefinite-lived intangible assets.

Finite-lived Intangible Assets — Finite-lived intangible assets represent the estimated acquisition date fair value of customer relationships, developed technology, trademarks, non-compete agreements and other intangibles described below obtained in connection with the businesses we acquire. Further, it includes self-developed software, procured content & licenses. We amortize these intangible assets on a straight-line basis over their estimated useful lives, as follows:

Category	Life (years)
Customer relationships	4-20
Developed technology	3-15
Airport contract	9
Store networks	5
Dealer networks	15-20
Brand	3-15
Trademarks	3-15
Non-compete agreements	5-7
Database	10

Intangible assets as of December 31, 2022 and December 31, 2021, are as follows:

	December 31,	
	2022	2021
	(In thousands)	
Finite-lived intangible assets:		
Customer relationships	\$ 101,401	\$ 102,446
Developed technology	34,427	33,187
Dealer networks	5,877	6,534
Airport Contract	3,992	4,441
Trademarks	2,651	2,696
Store Networks	2,153	2,396
Brand	791	880
Non-compete agreements	702	721
Database	212	212
Backlog	140	140
Total intangibles	152,346	153,653
Accumulated amortization	(101,446)	(93,905)
Finite-lived intangibles, net	<u>\$ 50,900</u>	<u>\$ 59,748</u>
Indefinite-lived intangibles:		
Customer/territorial relationships	<u>\$ 16,647</u>	<u>\$ 16,647</u>

Income Taxes — The Company follows the asset and liability method of accounting for income taxes pursuant to the pertinent guidance issued by the FASB. Deferred income taxes are recorded to reflect the estimated future tax effects of differences between the financial statement and tax basis of assets, liabilities, operating losses, and tax credit carry forwards using the tax rates expected to be in effect when the temporary differences reverse. Valuation allowances, if any, are recorded to reduce deferred tax assets to the amount management considers more likely than not to be realized. Such valuation allowances are recorded for the portion of the deferred tax assets that are not expected to be realized based on the levels of historical taxable income and projections for future taxable income over the periods in which the temporary differences will be deductible.

The Company applies the relevant FASB accounting guidance on accounting for uncertainty in income taxes positions. This guidance clarifies the accounting for uncertainty in income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. In this regard we recognize the tax benefit from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

Foreign Currency Translation — The functional currency is the U.S. dollar for the Company's foreign subsidiaries in Dubai and Singapore. The functional currency of the Company's other foreign subsidiaries is the local currency of the

country in which the subsidiary operates. The assets and liabilities of these foreign subsidiaries are translated into U.S. dollars at the rates of exchange at the balance sheet dates. Income and expense accounts are translated at the average exchange rates in effect during the period. Gains and losses resulting from translation adjustments are included as a component of accumulated other comprehensive income in the accompanying consolidated balance sheets, and are included in the consolidated statements of comprehensive income. Foreign exchange transaction gains and losses that are derived from transactions denominated in a currency other than the subsidiary's functional currency are included in the determination of net income.

Advertising — With the exception of certain direct-response costs in connection with our business services of providing medical continuing education to physicians, dentists and healthcare professionals, advertising costs are expensed as incurred. Advertising costs amounted to \$9.6 million, \$6.3 million, and 4.8 million in 2022, 2021, and 2020, respectively, and are included in sales and marketing expenses in the accompanying consolidated statements of income.

Sales Commissions — Certain sales commission paid with respect to subscription-based revenues are deferred and subsequently amortized into operating expenses ratably over the term of the related customer subscription contracts. As of December 31, 2022 and 2021, \$197 thousand and \$479 thousand, respectively, of sales commissions were deferred and included in other current assets on the accompanying consolidated balance sheets. During the years ended December 31, 2022 and 2021, the Company amortized \$802 thousand and \$1.1 million, respectively, of previously deferred sales commissions and included this expense in operating expenses on the accompanying consolidated statements of income.

Property and Equipment — Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the assets' estimated useful lives. Leasehold improvements are amortized over the shorter of the expected life of the improvements or the remaining lease term. Repairs and maintenance are charged to expense as incurred and major improvements that extend the life of the asset are capitalized and depreciated over the expected remaining life of the related asset. Gains and losses resulting from sales or retirements are recorded as incurred, at which time related costs and accumulated depreciation are removed from the Company's accounts. Fixed assets acquired in acquisitions are recorded at fair value. The estimated useful lives applied by the Company for property and equipment are as follows:

Asset Category	Life (years)
Buildings	20 - 39
Building Improvements	15 - 20
Computer equipment	3 - 5
Furniture, fixtures and other	5 - 7
Software	3
Land Improvements	20
Land	Unlimited life
Leasehold improvements	Shorter of the expected life of the improvements or the remaining lease term

Recent Accounting Pronouncements—The following is a brief discussion of recently released accounting pronouncements that are pertinent to the Company's business:

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions to the current guidance on contract modifications and hedging relationships to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate ("SOFR"). The guidance was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The adoption of this guidance has had no impact on the consolidated financial statements as the Company has not yet modified any of the existing contracts in response to the reference rate reform as of December 31, 2022. The Company transitioned to the use of SOFR in conjunction with Amendment No. 13 to the Credit Facility on February 21, 2023 and the transition to SOFR from LIBOR will not have a material impact on the Company's overall borrowing costs.

In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU 2019-12, Income Taxes (Topic 740): "Simplifying the Accounting for Income Taxes". ASU 2019-12 is expected to reduce the cost and complexity related to the accounting for income taxes by eliminating the need for an entity to analyze whether the following apply to a given reporting period:

- Exception to the incremental approach for intra period tax allocation;
- Exceptions to accounting for basis differences when there are ownership changes in foreign investments; and
- Exception in interim period income tax accounting for year-to-date losses that exceed anticipated losses.

For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The adoption of ASU 2019-12 has not had a material impact on the Company's consolidated financial statements.

Note 2. Earnings per Share

The basic and diluted earnings per share ("EPS"), and the basic and diluted weighted average shares outstanding for all periods as presented in the accompanying consolidated statements of income are shown below:

	For the year ended December 31,		
	(In thousands, except per share amounts)		
Earnings per share:	2022	2021	2020
Basic earnings per common share	\$ 2.10	\$ 2.23	\$ 3.03
Diluted earnings per common share	\$ 2.10	\$ 2.22	\$ 3.02
Basic weighted average shares outstanding	30,761	30,625	30,510
Diluted weighted average shares outstanding	30,761	30,664	30,571

Basic EPS is equal to net income attributable to Ebix, Inc. divided by the weighted average number of shares of common stock outstanding for the period. Diluted EPS takes into consideration common stock equivalents, which for the Company consist of stock options and restricted stock. With respect to stock options, diluted EPS is calculated as if the Company had additional common stock outstanding from the beginning of the year or the date of grant or issuance, net of assumed repurchased shares using the treasury stock method. With respect to restricted stock, diluted EPS is calculated as if the Company had additional common stock outstanding from the beginning of the year or the date of grant or issuance. Diluted EPS is equal to net income attributable to Ebix, Inc. divided by the combined sum of the weighted average number of shares outstanding and common stock equivalents. At December 31, 2022, 2021, and 2020 there were 180,000, 177,000, and 181,875, respectively, of potentially issuable shares with respect to stock options which could dilute EPS in the future but which were excluded from the diluted EPS calculation because presently their effect is anti-dilutive. Diluted shares outstanding are determined as follows for each year ended December 31, 2022, 2021, and 2020:

	For the year ended December 31,		
	(In thousands)		
	2022	2021	2020
Basic weighted average shares outstanding	30,761	30,625	30,510
Incremental shares for common stock equivalents	—	39	61
Diluted shares outstanding	<u>30,761</u>	<u>30,664</u>	<u>30,571</u>

Note 3. Business Combinations

The Company's business acquisitions are accounted for under the purchase method of accounting in accordance with ASC 805 ("Business Combinations"). Accordingly, the consideration paid by the Company for the businesses it purchases is allocated to the tangible and intangible assets and liabilities acquired based upon their estimated fair values as of the date of the acquisition. The excess of the purchase price over the estimated fair values of assets acquired and liabilities assumed is recorded as goodwill. Recognized goodwill pertains in part to the value of the expected synergies to be derived from combining the

operations of the businesses we acquire including the value of the acquired workforce. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we may record significant adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in our consolidated statements of income.

The Company's practice is to immediately integrate all functions including infrastructure, sales and marketing, administration, and product development after a business acquisition is consummated, so as to ensure that synergistic efficiencies are maximized, redundancies eliminated, and to leverage cross-selling opportunities. Furthermore, the Company centralizes certain key functions, such as information technology, marketing, sales, human resources, finance, and other general administrative functions after an acquisition, in order to realize cost efficiencies. By executing this integration strategy, it becomes neither practical nor feasible to accurately and separately track and disclose the earnings from the business combinations we have executed after they have been acquired.

A significant component of the purchase price consideration for many of the Company's business acquisitions is a potential future cash earn-out based on reaching certain specified future revenue targets. The terms for the contingent earn-out payments in most of the Company's business acquisitions typically address revenues achieved by the acquired entity over a one, two, and/or three year period subsequent to the effective date of their acquisition by Ebix. These terms typically establish a minimum threshold revenue target with achievement of revenues recognized over that target being awarded in the form of a specified cash earn-out payment. The Company applies these terms in its calculation and determination of the fair value of contingent earn-out liabilities for purchased businesses as part of the related valuation and purchase price allocation exercise for the corresponding acquired assets and liabilities. The Company recognizes these potential obligations as contingent liabilities as reported on its consolidated balance sheets. As discussed in more detail in Note 1, these contingent consideration liabilities are recorded at fair value on the acquisition date and are remeasured quarterly based on the then assessed fair value and adjusted if necessary. During each of the years ending December 31, 2022, 2021 and 2020, these aggregate contingent accrued earn-out business acquisition consideration liabilities, were reduced by \$0, \$0, and \$3.1 million, respectively, due to remeasurements as based on the then assessed fair value and changes in the amount and timing of anticipated future revenue levels. These reductions to the contingent accrued earn-out liabilities resulted in corresponding reductions to general and administrative expenses as reported on the consolidated statements of income. As of December 31, 2022, the total of these contingent liabilities was \$2.3 million, which was included in long-term liabilities in the Company's consolidated balance sheet. As of December 31, 2021, there was \$2.6 million outstanding contingent earn-out liability in the Company's consolidated balance sheet.

During the year ended December 31, 2022 the Company did not make any business acquisitions.

During the year ended December 31, 2021 the Company did not make any business acquisitions.

Estimated aggregate future amortization expense for the intangible assets recorded as part of the business acquisitions described above and all other prior acquisitions is as follows:

<i>Future Amortization Expenses (In thousands):</i>	
For the year ended December 31, 2023	\$ 13,068
For the year ended December 31, 2024	10,531
For the year ended December 31, 2025	7,099
For the year ended December 31, 2026	4,869
For the year ended December 31, 2027	3,496
Thereafter	11,837
	\$ 50,900

The Company recorded \$9.6 million, \$10.4 million, and \$9.5 million of amortization expense related to acquired intangible assets for the years ended December 31, 2022, 2021, and 2020, respectively.

Note 4. Credit Facility

The Company maintains a senior secured syndicated credit facility, dated August 5, 2014, among Ebix, Inc., as borrower, its subsidiaries party thereto from time to time as guarantors, Regions Bank (As administrative agent and collateral agent) and the lenders party thereto from time to time (as amended from time to time, the "Credit Facility") that provides a \$450 million revolving line of credit (the "Revolver") as well as a term loan (the "Term Loan"), which at December 31, 2022 had a balance of \$189.4 million.

The Credit Facility was to mature on February 21, 2023, but the Company negotiated an extension of the maturity of the Credit Facility to May 23, 2023. The outstanding balance of the Credit Facility as of December 31, 2022 of \$639.3 million. The Company is pursuing several options to materially reduce or pay off in total the Credit Facility, which may require an extension of the Credit Facility maturity date. In addition to the EbixCash IPO, the Company is also pursuing multiple other capital raising strategies to address the refinancing requirements of the Credit Facility, both at the corporate level and within the EbixCash operations in India. If necessary, the Company will also pursue other strategic options, and the Board of Directors has formed a special committee to assist in further evaluating alternatives to address the capital required to refinance the Credit Facility or secure an extension of the Credit Facility.

On February 21, 2023, the Company entered into Amendment No. 13 to its Credit Facility. Amendment No. 13 provided for, among other things, an extension of the maturity date from February 21, 2023 to May 23, 2023. The Company was required to make a \$5 million prepayment of the Revolver on February, 21, 2023 and will be required to make an amortization payment on the Term Loan in the amount of \$5 million on March 31, 2023. Any repayments under the Revolver will be accompanied by a corresponding reduction in the aggregate revolving commitments. Lastly, amendment No. 13 modified certain other provisions within the Credit Agreement and has resulted in an approximately 1% per annum interest rate increase beginning February 21, 2023.

On April 9, 2021, The Company entered into Amendment No. 12 to its Credit Facility. Amendment No. 12 provided for, among other things, a waiver of any potential event of default arising under the Credit Facility from the failure to timely deliver the Company's audited consolidated financial statements and related compliance certificate for the year ended December 31, 2020, provided that there is no good faith determination by the requisite lenders under the Credit Facility of a "Material Circumstance" (as defined and further described in Amendment No. 12), which determination (if any) may only be made within a specified period described in Amendment No. 12 and is subject to certain cure rights of the Company. Amendment No. 12 also modified the applicable margin that applies from the date of the amendment forward, modified certain mandatory prepayment provisions, as well as certain other covenants related to restricted payments, investments and certain reporting requirements.

On March 31, 2021, Ebix entered into Amendment No. 11 to the Credit Facility. Amendment No. 11 provided, for, among other things, a limited waiver through April 10, 2021, of any potential event of default arising under the Credit Facility from failure to deliver the Company's audited consolidated financial statements and related compliance certificate for the year

ended December 31, 2020. Amendment No. 11 also modified certain covenants contained in the Credit Facility, including with respect to certain permitted restricted payments and investments.

At December 31, 2022, the outstanding balance on the Revolver was \$449.9 million and the facility carried an interest rate of 9.6%. The outstanding balance is included in the current liabilities section of the consolidated balance sheets due to the original maturity date of February 2023, which was extended to May 2023 subsequent to December 31, 2022. During 2022, the average and maximum outstanding balances on the Revolver were \$440.1 million and \$449.9 million, respectively, and the weighted average interest rate on the Revolver was 6.9%. At December 31, 2021, the outstanding balance on the Revolver was \$439.4 million and the facility carried an interest rate of 3.50%. The outstanding balance on the Revolver was included in the long-term liabilities section of the consolidated balance sheets. During 2021, the average and maximum outstanding balances on the Revolver were \$439.4 million and \$439.4 million, respectively, and the weighted average interest rate on the Revolver was 5.2%.

At December 31, 2022, the outstanding balance on the Term Loan was \$189.4 million, of which \$189.4 million is due in May 2023. \$23.5 million of principal payments were made on the Term Loan during 2022, of which \$20.7 million were scheduled amortization payments. The Company had a scheduled \$7.5 million term loan principal repayment due on December 31, 2022. However, the agent bank in the syndicate of banks did not process the payment until the first business day of January 2023. Thus, the Company's total debt outstanding under the Credit Facility is \$7.5 million higher at December 31, 2022 than otherwise would have been if the \$7.5 million scheduled repayment had been effected as of December 31, 2022. The Term Loan also carried an interest rate of 9.6% at December 31, 2022, and the weighted average interest rate on the Term Loan during 2022 was 6.8%. The outstanding balance of the Term Loan is included in the current liabilities section of the consolidated balance sheets due to the original maturity date in February 2023, which was extended to May 2023 subsequent to December 31, 2022. At December 31, 2021, the outstanding balance on the Term Loan was \$212.9 million, of which \$28.2 million was due within twelve months. This Term Loan carried an interest rate of 5.5% at December 31, 2021, and the weighted average interest rate on the Term Loan during 2021 was 5.1%.

At December 31, 2022, the Company's consolidated balance sheets include \$1.2 million of remaining deferred financing costs in connection with the Credit Facility, which are being amortized as a component of interest expense through the maturity of the Credit Facility in May 2023. \$0.7 million of such deferred financing costs pertain to the Revolver and \$0.5 million pertains to the Term Loan, of which \$0.5 million is netted against the Term Loan as reported on the consolidated balance sheets. At December 31, 2021, the Company's consolidated balance sheets included \$4.7 million of remaining deferred financing costs in connection with the Credit Facility, with \$2.8 million pertaining to the Revolver and \$1.9 million pertaining to the Term Loan, of which \$1.6 million was netted against the current portion of the Term Loan and \$0.3 million was netted against the long-term portions of the Term Loan as reported on the consolidated balance sheets.

Note 5. Commitments and Contingencies

Contingencies — On February 22, 2021, Christine Marie Teifke, a purported purchaser of Ebix securities, filed a putative class action in the United States District Court for the Southern District of New York, captioned *Teifke v. Ebix, Inc., et. al.*, Case No. 1:21-cv-01589-JMF, on behalf of herself and others who purchased or acquired Ebix securities between November 9, 2020 and February 19, 2021. The complaint asserts claims against the Company, Robin Raina, and Steven M. Hamil (“Defendants”), for purported violations of Section 10(b) of the Securities Exchange Act of 1934, alleging that Ebix made false and misleading statements and failed to disclose material adverse facts about an audit of the company's gift card business in India and its internal controls over the gift and prepaid card revenue transaction cycle. The complaint alleges that Ebix's stock price fell as a result of the revelation that Ebix's independent auditor, RSM US LLP (“RSM”), had resigned, citing concerns with the company's internal controls and disagreements over other accounting issues. The complaint also asserts a claim against Robin Raina and Steven M. Hamil for purported violations of Section 20(a) of the Exchange Act arising out of the same facts. The complaint seeks, among other relief, damages and attorneys' fees and costs. On May 11, 2021, the court issued an order appointing Rahul Saraf, another purported purchaser of Ebix, Inc. securities, as lead plaintiff in the action, and the caption in the action was changed to *Saraf v. Ebix, Inc., et. al.*, Case No. 1:21-cv-01589-JMF (the “Class Action”).

On July 26, 2021, Lead Plaintiff filed an amended complaint in the Class Action, alleging similar violations of Sections 10(b) and 20(a) of the Exchange Act. On September 24, 2021, the Defendants moved to dismiss the amended complaint. On October 15, 2021, Lead Plaintiff filed a second amended complaint in the Class Action. Defendants moved to dismiss the second amended complaint and briefing on Defendants’ motion concluded on November 19, 2021.

On September 30, 2022, the Court dismissed the second amended complaint in its entirety for failure to state a claim but granted plaintiff's request for leave to file a third amended complaint on or before October 31, 2022. On October 31, 2022,

Lead Plaintiff filed a third amended complaint in the Class Action, once again alleging similar violations of Sections 10(b) and 20(a) of the Exchange Act. Defendants moved to dismiss the third amended complaint and briefing on Defendants' motion concluded on December 22, 2022. The parties await a decision from the Court on the motion. Defendants deny any liability and intend to defend the action vigorously.

On May 14, 2021, Javier Calvo, a purported shareholder of the Company, filed a derivative action in the United States District Court for the Southern District of New York on behalf of Ebix captioned Calvo v. Raina, et. al., Case No. 21-cv-4380-JMF (the "Calvo Action"), against individual defendants Robin Raina, Steven M Hamil, Hans U. Benz, Rolf Herter, Neil D. Eckert, Pavan Bhalla, Hans Ueli Keller, and George W. Hebard, and nominal defendant Ebix asserting claims related to the RSM resignation. The complaint asserts claims of breach of fiduciary duty against all of the individual defendants, and also asserts claims under Sections 10(b) and 21D of the Securities Exchange Act of 1934 for contribution against Robin Raina and Steven M Hamil. On July 7, 2021, the court granted a stipulation and order staying the Calvo Action pending the resolution of any motion(s) to dismiss the Class Action.

On July 13, 2021, Peter Votto, another purported Ebix shareholder, filed an additional derivative action in the United States District Court for the Southern District of New York on behalf of Ebix, captioned Votto v. Raina, et. al., Case No. 21-cv-5982-JMF (the "Votto Action"), asserting claims against the same defendants as the Calvo Action. The complaint asserts claims relating to the RSM resignation against all of the individual defendants for breach of fiduciary duties, unjust enrichment, waste of corporate assets, and rescission under Section 29(b) of the Securities Exchange Act of 1934, and claims for contribution under Sections 10(b) and 21D of the Securities Exchange Act of 1934 against Robin Raina and Steven M Hamil. On July 23, 2021, the court granted a stipulation and order consolidating the Calvo and Votto Actions under the caption In re Ebix Shareholders Derivative Litigation, Case No. 21-cv-4380-JMF (the "Consolidated Derivative Action"). The July 7, 2021 order staying the Calvo Action pending the resolution of any motion(s) to dismiss the Class Action applied to the Consolidated Derivative Action. After the Court dismissed the Class Action but granted plaintiff leave to replead, the parties entered a stipulation agreeing to extend the stay of the Consolidated Derivative Action pending resolution of any motion to dismiss a third amended complaint in the Class Action. On October 20, 2022, the Court approved the stipulation staying the Consolidated Derivative Action.

On November 5, 2021, Daniel Lilienfeld, a purported shareholder of the Company, filed a derivative action in the United States District Court for the Northern District of Georgia on behalf of Ebix captioned Lilienfeld v. Raina, et. al., Case No. 1:21-cv-04590-ELR (the "Lilienfeld Action"), asserting claims against the same defendants as the Consolidated Derivative Action. The complaint similarly asserts a claim of breach of fiduciary duty related to the RSM resignation against all of the individual defendants. On January 17, 2022, the parties filed a joint motion to stay the Lilienfeld Action pending the resolution of the motion to dismiss the Class Action. On January 18, 2022, the court issued an order denying the motion in favor of administratively closing the case pending a ruling on Defendants' motion to dismiss the Class Action. On October 19, 2022, the parties filed a motion asking the court to extend the administrative closure of the Lilienfeld Action pending resolution of any motion to dismiss a third amended complaint in the Class Action. On October 26, 2022, the Court approved the motion to extend the administrative closure of the Lilienfeld Action.

On December 29, 2021, Sunil Shah, a purported shareholder of the Company, filed a derivative action in the Superior Court of Fulton County of the State of Georgia on behalf of Ebix captioned Shah v. Raina, et. al., Civil Action File No. 2022-cv-358481 (the "Shah Action") against the same defendants as the Consolidated Derivative Action and Lilienfeld Actions. The complaint similarly asserts a claim of breach of fiduciary duty related to the RSM resignation against all of the individual defendants. On March 30, 2022, the court granted a joint motion to stay the Shah Action pending the resolution of the motion to dismiss the Class Action. On October 28, 2022, the parties filed a joint motion to extend the stay of the Shah Action pending resolution of any motion to dismiss a third amended complaint in the Class Action. On December 8, 2022, the Court approved the motion to extend the stay of the Shah Action.

On May 12, 2017, Ebix Software India Pvt. Ltd. ("EbixCash Parent Co") entered into several agreements with the shareholders of Itz Cash Card Limited ("Itz"), the most relevant among these are a stock purchase agreement (the "SPA"), to purchase a majority ownership stake in Itz and a shareholders agreement between the then promoter shareholders of Itz and Ebixcash Parent Co. Further, as part of the overall purchase of Itz, a share purchase agreement between EbixCash Parent Co and individual ESOP holders of Itz was entered into on July 7, 2017 (the "ESOP SPA") (with the SPA, the ESOP SPA, and the other purchase documents, collectively, the "Transaction Documents"). Part of the consideration for EbixCashParent Co's purchase of Itz consisted of two individual potential earn-out payments contingent on Itz achieving revenue targets, the first for the period for the year ended March 31, 2019 (the "First Earn-Out") and the second for the following year, ending on March 31, 2020 (the "Second Earn-Out"). The target revenue was not achieved and neither the First Earn-Out nor the Second Earn-Out were required to be paid pursuant to the terms of the SPA.

After correspondence between the parties between September 2019 and May 2020, the former shareholders of Itz ("Sellers") sent EbixCash Parent Co notices of arbitration ("NOAs") under which they were availing themselves of the arbitration dispute provisions set forth in the Transaction Documents. Apart from the amounts claimed owed under the earn-out provisions, the Sellers also alleged in the NOAs other violations of the terms of the Transaction Documents, including, certain non-competition and restricted matter approval violations. The matter is under arbitration in accordance with the rules of the Singapore International Arbitration Centre.

In the proceedings, the Sellers have alleged that the EbixCash Parent Co breached their obligations under the Transaction Documents, including obligations relating to non-compete, non-approval of budgets, passing of resolutions pertaining to reserved matters and certain other obligations. On this basis, the Sellers have sought damages aggregating to approximately \$38.4 million against EbixCash Parent Co.

The Company believes that the Sellers have raised frivolous allegations to attempt to show a purported breach of the Transaction Documents so as to claim the First Earn-Out and Second Earn-Out. EbixCash Parent Co denies any wrongdoing and has conducted its activities in accordance with the laws of India.

The pleadings and evidence in the arbitration is complete. The evidentiary hearing took place in Singapore from November 14, 2022 to December 1, 2022. The closing submissions in the matter occurred on February 1st and 2nd, 2023. The Company is awaiting the decision from the Singapore International Arbitration Centre.

The Company is involved in various other claims and legal actions arising in the ordinary course of business, which in the opinion of management, the ultimate likely disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Lease Commitments — See Note 19.

Business Acquisition Earn-Out Contingencies — A significant component of the purchase price consideration for many of the Company's business acquisitions is a potential future cash earn-out based on reaching certain specified future revenue targets. The terms for the contingent earn-out payments in most of the Company's business acquisitions typically address the GAAP recognizable revenues achieved by the acquired entity over a one, two, and/or three year period subsequent to the effective date of their acquisition by Ebix. These terms typically establish a minimum threshold revenue target with achievement of revenues recognized over that target being awarded in the form of a specified cash earn-out payment. The Company applies these terms in its calculation and determination of the fair value of contingent earn-out liabilities for purchased businesses as part of the related valuation and purchase price allocation exercise for the corresponding acquired assets and liabilities. As of December 31, 2022, the total of these contingent liabilities was \$2.3 million, which was included in long-term liabilities in the Company's consolidated balance sheet. As of December 31, 2021, there was \$2.6 million outstanding contingent earn-out liability in the Company's consolidated balance sheet.

Self-Insurance — For some of the Company's U.S. employees the Company has a self-insured plan for its health insurance program and has an individual specific stop loss policy that limits the liability on each covered individual to \$150 thousand per person with an additional aggregating specific of \$45,000. There is an overall aggregate liability policy covering all claims in excess of 125% of the expected claims based upon the number of participants and historical claims. As of December 31, 2022 and 2021, the amount accrued on the Company's consolidated balance sheets for the self-insured component of the Company's employee health insurance was \$516 thousand and \$498 thousand, respectively. The maximum potential estimated cumulative liability for the annual contract period, which ends in September 2023, is \$6.2 million. During the years ended December 31, 2022 and 2021, the Company recognized \$3.9 million, and \$2.5 million of expense, respectively, associated with claims from its self-insured health insurance program.

Gratuity Leave — In accordance with Indian law, we pay gratuity to our eligible employees in India. Under our gratuity plan, an employee is entitled to receive a gratuity payment on the termination of his or her employment if the employee has rendered continuous service to our company for not less than five years, or if the termination of employment is due to death or disability. The amount of gratuity payable to an eligible employee is based on number of years of employment and is limited to a maximum of \$28 thousand per employee. As of December 31, 2022 and 2021, the amount accrued on the Company's consolidated balance sheets for gratuity leave was \$3.6 million and \$3.8 million, respectively.

Note 6. Share-Based Compensation

Stock Options—The Company accounts for compensation expense associated with stock options issued to employees, Directors, and non-employees based on their fair value, which is calculated using an option pricing model, and is recognized over the service period, which is usually the vesting period. At December 31, 2022, the Company had two equity based compensation plans. No stock options were granted to employees or non-employees during 2022, 2021, and 2020; however, options were granted to Directors in 2021, and 2020. Stock compensation expense of \$618 thousand, \$539 thousand and \$517 thousand was recognized during the years ending December 31, 2022, 2021, and 2020, respectively, on outstanding and unvested options.

The fair value of options granted is estimated on the date of grant using a Black-Scholes option pricing model. The following table includes the weighted-average assumptions used in estimating the fair values and the resulting weighted-average fair value of stock options granted in the periods presented:

	Year Ended December 31,		
	2022	2021	2020
Weighted average fair values of stock options granted	\$ —	\$ 15.53	\$ 15.58
Expected volatility	— %	77.1 %	64.7 %
Expected dividends	— %	.99 %	.84 %
Weighted average risk-free interest rate	— %	.93 %	.24 %
Expected life of stock options (in years)	0.00	3.5	3.5

A summary of stock option activity for the years ended December 31, 2022, 2021, and 2020 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In thousands)
Outstanding at January 1, 2020	217,875	\$ 43.78	2.6	\$ —
Granted	36,000	\$ 35.70		
Exercised	(30,000)	\$ 21.19		
Canceled	(6,000)	\$ 28.59		
Outstanding at December 31, 2020	<u>217,875</u>	\$ 45.97	2.6	\$ —
Granted	42,000	\$ 30.40		
Exercised	—	\$ —		
Canceled	(40,875)	\$ 49.22		
Outstanding at December 31, 2021	<u>219,000</u>	\$ 42.38	2.8	\$ —
Granted	—	—		
Exercised	—	—		
Canceled	(39,000)	\$ 49.22		
Outstanding at December 31, 2022	<u>180,000</u>	\$ 39.89	2.3	\$ —
Exercisable at December 31, 2022	<u>120,000</u>	\$ 42.50	1.8	\$ —

The aggregate intrinsic value for stock options outstanding and exercisable is defined as the difference between the market value of the Company's stock as of the end of the period and the exercise price of the stock options. The total intrinsic value of stock options exercised during 2022, 2021, and 2020 was \$0, \$0 and \$341 thousand, respectively.

Cash received or the value of stocks canceled from option exercises under all share-based payment arrangements for the years ended December 31, 2022, 2021, and 2020, was \$0, \$0 and \$127 thousand, respectively.

A summary of non-vested options and changes for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Non-Vested Number of Shares	Weighted Average Exercise Price
Non-vested balance at January 1, 2020	108,750	\$ 46.65
Granted	36,000	\$ 35.70
Vested	(42,000)	\$ 47.66
Canceled	—	\$ —
Non-vested balance at December 31, 2020	<u>102,750</u>	\$ 42.40
Granted	42,000	\$ 30.40
Vested	(39,750)	\$ 44.24
Canceled	—	\$ —
Non-vested balance at December 31, 2021	<u>105,000</u>	\$ 36.90
Granted	—	\$ —
Vested	(45,000)	\$ 39.89
Canceled	—	\$ —
Non-vested balance at December 31, 2022	<u>60,000</u>	\$ 34.66

The following table summarizes information about stock options outstanding by price range as of December 31, 2022:

Exercise Prices	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price	
\$30.40	42,000	0.91	\$ 7.09	10,500	\$ 2.66	
\$35.70	36,000	0.59	\$ 7.14	18,000	\$ 5.36	
\$41.60	36,000	0.35	\$ 8.32	29,250	\$ 10.14	
\$42.56	36,000	0.20	\$ 8.51	36,000	\$ 12.77	
\$52.92	30,000	0.24	\$ 8.82	26,250	\$ 11.58	
	<u>180,000</u>	<u>0</u>	<u>\$ 39.87</u>	<u>120,000</u>	<u>\$ 42.51</u>	

Restricted Stock—Pursuant to the Company’s restricted stock agreements, the restricted stock granted generally vests as follows: one third after one year, and the remaining in eight equal quarterly installments. The restricted stock also vests with respect to any unvested shares upon the applicable employee’s death, disability or retirement, the Company’s termination of the employee other than for cause, or for a change in control of the Company. A summary of the status of the Company’s non-vested restricted stock grant shares is presented in the following table:

	Shares	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2020	107,954	\$ 52.08
Granted	388,089	\$ 24.37
Vested	(68,504)	\$ 52.49
Forfeited	—	\$ —
Non-vested at December 31, 2020	<u>427,539</u>	<u>\$ 26.86</u>
Granted	8,979	\$ 27.84
Vested	(213,993)	\$ 29.08
Forfeited	—	\$ —
Non-vested at December 31, 2021	<u>222,525</u>	<u>\$ 24.76</u>
Granted	2,871	\$ 29.61
Vested	(141,206)	\$ 25.88
Forfeited	—	\$ —
Non-vested at December 31, 2022	<u><u>84,190</u></u>	<u><u>\$ 23.05</u></u>

In the aggregate the total compensation expense recognized in connection with the restricted grants was \$3.3 million, \$4.8 million, and \$4.3 million during each of the years ending December 31, 2022, 2021, and 2020, respectively.

As of December 31, 2022, there was \$1.3 million of total unrecognized compensation cost related to non-vested share based compensation arrangements granted under the 2006, 2010 and 2020 Incentive Compensation Programs. That cost is expected to be recognized over a weighted-average period of 0.77 years. The total fair value of shares vested during the years ended December 31, 2022, 2021, and 2020 was \$3.3 million, \$6.2 million, and \$3.6 million, respectively.

As of December 31, 2022, the Company has 8.6 million shares of common stock reserved for possible future stock option and restricted stock grants.

Note 7. Income Taxes

The income tax expense (benefit) consists of the following:

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
Current:			
U.S. federal	\$ (1,183)	\$ 3,480	\$ (249)
U.S. state	316	250	(406)
Non U.S.	<u>22,089</u>	<u>13,219</u>	<u>10,681</u>
	<u>21,222</u>	<u>16,949</u>	<u>10,026</u>
Deferred:			
U.S. federal	(1,968)	(4,802)	(1,220)
U.S. state	(750)	(1,288)	(657)
Non U.S.	<u>(9,057)</u>	<u>(4,275)</u>	<u>(2,819)</u>
	<u>(11,775)</u>	<u>(10,365)</u>	<u>(4,696)</u>
Total	<u><u>\$ 9,447</u></u>	<u><u>\$ 6,584</u></u>	<u><u>\$ 5,330</u></u>

Income (loss) before income taxes includes the following components:

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
U.S.	\$ (44,887)	\$ (33,311)	\$ (27,528)
Non U.S.	116,962	106,834	121,685
Total	\$ 72,075	\$ 73,523	\$ 94,157

A reconciliation of the statutory federal income tax rate to the effective income tax rate consists of the following:

	Year Ended December 31,		
	2022	2021	2020
Statutory U.S. federal income tax rate	21.0 %	21.0 %	21.0 %
U.S. state income taxes, net of federal benefit	(0.7)%	(1.1)%	(0.9)%
Non-U.S. tax rate differential	2.9 %	(3.2)%	(12.2)%
GILTI Related	20.4 %	13.7 %	12.5 %
Tax holidays	(19.1)%	(14.3)%	(4.0)%
Tax Credits	(15.3)%	(9.5)%	(10.0)%
Passive income exemption	— %	— %	(0.4)%
Acquisition contingent earn-out liability adjustments	— %	— %	(0.7)%
Nondeductible items	0.1 %	0.9 %	2.0 %
Effect of valuation allowance	0.7 %	0.6 %	(1.2)%
Prior year Transition Tax and related true-ups	2.7 %	1.4 %	0.5 %
Uncertain tax positions	0.3 %	(0.5)%	(1.0)%
Other	— %	— %	— %
Effective income tax rate	13.1 %	9.0 %	5.7 %

The Company's effective tax rate increased to 13.1% in 2022, compared with 9.0% in 2021. The increase in effective tax rate in 2022 is primarily related to the mix of pre-tax income in foreign jurisdictions with higher tax rates and the greater impact of GILTI related items.

Deferred tax assets and liabilities are comprised of the following:

	December 31, 2022		December 31, 2021	
	Deferred		Deferred	
	Assets	Liabilities	Assets	Liabilities
	(In thousands)			
Depreciation and amortization	\$ —	\$ 6,328	\$ —	\$ 6,424
Share-based compensation	258	—	307	—
Accruals and prepaids	5,320	—	5,613	—
Bad debts	6,041	—	6,139	—
Acquired intangible assets	—	11,920	—	12,509
Net operating loss carryforwards	40,508	—	37,242	—
Tax credit carryforwards (primarily Minimum Alternative Tax ("MAT") in India)	62,259	—	53,995	—
	114,386	18,248	103,296	18,933
Valuation allowance	(999)	—	(999)	—
Total deferred taxes	\$ 113,387	\$ 18,248	\$ 102,297	\$ 18,933

We have U.S. federal, state and foreign operating losses and credit carryforwards as follows:

	Year Ended December 31,	
	2022	2021
	(In thousands)	
U.S. Federal loss carryforwards	\$ 55,616	\$ 52,544
U.S. state loss carryforwards	102,078	85,635
Foreign loss carryforwards	101,067	90,826
U.S. Federal credit carryforwards	8,257	7,144
Foreign credit carryforwards	54,017	46,851

The U.S. federal and state operating loss carryforwards expire at varying dates through 2037. The federal credits begin to expire in 2024. We also have non-U.S. tax credits (primarily MAT paid in India) carried forward of approximately \$54.0 million as of December 31, 2022, which is available for set-off against the future tax liability of certain Indian operations on a staggered basis over a period up-to fifteen years.

The Company has not recognized a deferred U.S. tax liability and associated income tax expense for the undistributed earnings of its foreign subsidiaries which we consider indefinitely invested because those foreign earnings will remain permanently reinvested in those subsidiaries to fund ongoing operations and growth. Upon distribution of those earnings in the form of dividends or otherwise, we may be subject to income taxes and withholding taxes payable in various jurisdictions, which could potentially be partially offset by foreign tax credits. At December 31, 2022, the cumulative amount of the Company's undistributed foreign earnings was approximately \$953.4 million, inclusive of income previously taxed in the United States.

The following table summarizes the activity related to provision made by the Company in the books for uncertain tax positions:

	Year Ended December 31,		
	2022	2021	2020
	(In thousands)		
Beginning Balance	\$ 6,200	\$ 8,291	\$ 9,199
Additions for tax positions related to current year	—	—	—
Additions for tax positions of prior years	243	769	966
Reductions for tax position of prior years	—	(2,860)	(1,874)
Ending Balance	\$ 6,443	\$ 6,200	\$ 8,291

The Company recognizes estimated interest accrued and/or penalties related to uncertain tax positions as part of the income tax expense provided for such positions. The Company accrued as of December 31, 2022 and 2021 approximately \$2.5 million and \$2.3 million, respectively, of estimated interest and penalties related to uncertain tax positions. These amounts are included in the December 31, 2022 and 2021 balances in the preceding table of \$6.4 million and \$6.2 million, respectively, which is included in other long-term liabilities in the accompanying consolidated balance sheets.

We file income tax returns in the U.S. federal, many U.S. state and local jurisdictions, and certain foreign jurisdictions. We have substantially resolved all U.S. federal income tax matters for tax years prior to 2014. Our state and foreign tax matters may remain open from 2009 forward.

Note 8. Stock Repurchases

Effective February 6, 2017, the Company's Board of Directors unanimously approved and authorized a share repurchase plan of \$150.0 million. The Board directed that the repurchases be funded with available cash balances and cash generated by the Company's operating activities. The aggregate amount of repurchases of the Company's equity shares is limited by restrictive covenants contained in our Credit Facility.

The Company's share repurchase plan's terms have been structured to comply with the SEC's Rule 10b-18, and are subject to market conditions and applicable legal requirements. The program does not obligate the Company to acquire any specific number of shares and may be suspended or terminated at any time. All purchases are made in the open market. Treasury stock is recorded at its acquired cost. During 2022 and 2021, there were no stock repurchases under the plan.

As of December 31, 2022, the Company had \$80.1 million remaining in its current Board of Directors-approved share repurchase program.

Note 9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
	(In thousands)	
Trade accounts payable	\$ 77,718	\$ 70,514
Accrued professional fees	928	2,526
Income taxes payable*	\$ 1,201	1,767
Sales taxes payable	3,870	3,802
Other accrued liabilities	15,477	7,572
Total	<u>\$ 99,194</u>	<u>\$ 86,181</u>

* Long-term portion of income taxes payable pertaining to the 2017 Tax Cuts and Jobs Act one-time transition tax totaling \$9.9 million and \$13.3 million, as of December 31, 2022 and 2021, respectively, is included in other liabilities in the Company's consolidated balance sheets.

Note 10. Other Current Assets

Other current assets at December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
	(In thousands)	
Prepaid expenses including advances to suppliers	\$ 71,449	\$ 70,520
Sales taxes receivable from customers	3,289	5,058
Other third party receivables	1,034	3,921
Short-term portion of capitalized costs to obtain and fulfill contracts	486	910
Credit card merchant account balance receivable	704	681
Accrued interest receivable	651	206
Other	9,774	3,093
Total	<u>\$ 87,387</u>	<u>\$ 84,389</u>

Note 11. Other Current Liabilities

Other current liabilities at December 31, 2022 and December 31, 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
	(In thousands)	
Acquisition obligations (contingent consideration)	\$ 2,154	\$ 2,444
Customer advances (deposits)	23,630	24,393
Total	<u>\$ 25,784</u>	<u>\$ 26,837</u>

Note 12. Property and Equipment

Property and equipment at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
	<u>(In thousands)</u>	
Computer equipment	\$ 25,486	\$ 16,701
Buildings	27,039	27,536
Land	11,508	12,518
Land improvements	7,195	7,195
Leasehold improvements	3,266	2,176
Furniture, fixtures and other	12,997	12,278
	<u>87,491</u>	<u>78,404</u>
Less accumulated depreciation and amortization	<u>(35,043)</u>	<u>(30,501)</u>
	<u>\$ 52,448</u>	<u>\$ 47,903</u>

Depreciation expense was \$8.3 million, \$4.8 million and \$4.2 million, for the years ended December 31, 2022, 2021, and 2020, respectively.

Note 13. Cash Option Profit Sharing Plan and Trust

The Company maintains a 401(k) Cash Option Profit Sharing Plan, for our U.S. based employees, which allows participants to contribute a percentage of their compensation to the Profit Sharing Plan and Trust up to the Federal maximum. The Company matches 100% of an employee's first 1% contributed and 50% on the next 1% contributed by an employee. Accordingly, the Company's contributions to the Plan were \$457 thousand, \$471 thousand and \$508 thousand for the years ending December 31, 2022, 2021, and 2020, respectively.

We maintain employee benefit plans in the form of certain statutory and incentive plans covering substantially all of our India based employees. In accordance with Indian law, all of our employees in India are entitled to receive benefits under the Employees' Provident Fund Scheme, 1952, as amended, a retirement benefit scheme under which an amount equal to 12% of the basic salary of an employee is contributed both by the employer and the employee in a government fund. For the years ending December 31, 2022, 2021, and 2020, the aggregate amount set aside or accrued by us to provide for pension or retirement benefits for all of our employees, which amount consists of the Provident Fund was \$4.3 million, \$4.0 million, and \$2.6 million, respectively.

Note 14. Geographic Information

The Company operates within one operating and one reportable segment whose results are regularly reviewed by the Company's CEO, its chief operating decision maker, as to operating performance and the allocation of resources. External customer revenues in the tables below were attributed to a particular country based on whether the customer had a direct contract with the Company which was executed in that particular country for the sale of the Company's products/services with an Ebix subsidiary located in that country.

The following enterprise wide information relates to the Company's geographic locations:

	Year ended December 31,					
	2022		2021		2020	
	External Revenues	Long-lived assets	External Revenues	Long-lived assets	External Revenues	Long-lived assets
	(In thousands)					
India*	\$ 804,177	\$ 661,633	\$ 755,543	\$ 693,709	\$ 378,660	\$ 698,936
United States	\$ 154,341	\$ 368,892	155,346	377,305	166,320	381,782
Australia	\$ 32,287	\$ 2,385	37,820	2,928	33,846	3,581
Europe	\$ 15,956	\$ 19,915	16,366	23,304	13,145	22,900
Latin America	\$ 18,348	\$ 12,833	12,901	12,696	14,801	13,723
Indonesia*	\$ 7,159	\$ 16	1,981	95	3,206	139
Canada*	\$ 5,680	\$ 5,999	5,333	5,886	4,383	6,930
New Zealand	\$ 1,915	\$ 227	2,007	367	1,804	513
United Arab Emirates*	\$ 2,584	\$ 53,625	1,982	54,254	3,335	54,789
Singapore*	\$ 4,294	\$ 29,849	3,875	17,260	3,969	19,336
Philippines*	\$ 3,405	\$ 600	1,784	1,824	2,140	661
Mauritius*	\$ —	\$ 4,663	—	4,663	—	4,665
	\$1,050,146	\$1,160,637	\$ 994,938	\$1,194,291	\$ 625,609	\$1,207,955

*Includes India led businesses for which total revenue was \$818.0 million, \$762.3 million and \$388.3 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Note 15. Related Party Transactions

As discussed in Note 16 "Investment in Joint Ventures", Vayam Technologies Ltd ("Vayam") is also a customer of Ebix Vayam Limited JV, and during the twelve months ending December 31, 2022 and 2021, Ebix Vayam Limited JV recognized \$0.9 million and \$0.8 million of revenue from Vayam, respectively. As of December 31, 2022 and 2021, Vayam had \$11.6 million and \$17.0 million, respectively, of accounts receivable with Ebix Vayam Limited JV.

Also, as discussed in Note 16 "Investment in Joint Ventures", in regards to EbixHealth JV it was concluded that the customer relationship with IHC, our joint venture partner, to be by its nature, a related party.

Note 16. Investment in Joint Ventures

Effective February 7, 2016, Ebix and Vayam Vayam formed a joint venture named Ebix Vayam Limited JV. This joint venture was established to carry out IT projects in the government sector of the country of India, particularly in regards to the implementation of e-governance projects in the areas of education and healthcare. Ebix has a 51% equity interest in the joint venture, and Vayam has a 49% equity interest in the joint venture. Ebix is fully consolidating the operations of Ebix Vayam Limited JV into the Company's consolidated financial statements and separately reporting the Vayam minority, non-controlling interest in the joint venture's net income and equity. Vayam is also a customer of Ebix Vayam Limited JV, and during the twelve months ending December 31, 2022 and 2021, Ebix Vayam Limited JV recognized \$0.9 million and \$0.8 million, respectively, of revenue from Vayam. As of December 31, 2022, Ebix Vayam Limited JV had \$11.6 million of accounts receivable with Vayam, net of the estimated allowance for doubtful accounts receivable in the amount of \$5.7 million. As of December 31, 2021, Ebix Vayam Limited JV had \$17.0 million of accounts receivable with Vayam, net of the estimated allowance for doubtful accounts receivable in the amount of \$7.0 million.

Effective September 1, 2015, Ebix and IHC formed a joint venture named EbixHealth JV. This joint venture was established to promote and market a best practices administration data exchange for health and pet insurance lines of business nationally. Ebix has a 51% equity interest in the joint venture and IHC has a 49% equity interest in the joint venture. IHC is also a customer of EbixHealth JV, and during the twelve months ending December 31, 2022 and 2021, EbixHealth JV recognized \$1.2 million and \$1.5 million, respectively, of revenue from IHC. As of December 31, 2022 and 2021, IHC had \$0.1 million

and \$0.2 million, respectively, of accounts receivable with EbixHealth JV. Furthermore, as a related party, IHC also has been a customer of Ebix, and during the twelve months ending December 31, 2022 and 2021, the Company recognized \$0.1 million and \$0.1 million, respectively, of revenue from IHC. As of December 31, 2022 and 2021, Ebix had \$44 thousand and \$83 thousand, respectively, of outstanding accounts receivable from IHC. EbixHealth JV has a \$1.8 million note due to IHC.

Note 17. Capitalized Software Development Costs

In accordance with ASC 985-20 “Software” and ASC 350-40 “Internal-Use Software”, the company has capitalized certain software and product related development costs associated with the Company’s continuing medical education service offerings, development of P&C underwriting insurance data exchange platform servicing the London markets; development of EbixCash’s SaaS based Asset Management and Collection platforms having global application; development of EbixCash’s single-sign on agent and customer portal, including mobile application, and content development work. During the year ended December 31, 2022 and 2021, the Company capitalized \$6.5 million and \$5.7 million, respectively, under the Intangible Assets, net heading in the Company’s consolidated balance sheets. As of December 31, 2022 and 2021, a total of \$15.3 million and \$15.1 million, respectively, is carried as capitalized software development cost in the Company’s consolidated balance sheets.

Note 18: Amortization of Intangible Assets, Net

During the year ended December 31, 2022 and 2021, the Company recognized \$9.6 million and \$10.4 million, respectively, of amortization expense with regards to finite-lived intangible assets.

Note 19. Leases

The Company adopted ASU 2016-02, Leases (Topic 842) effective January 1, 2019, using a modified retrospective method and did not restate comparative periods. The Company elected to adopt the package of practical expedients; accordingly, the Company retained the lease classification and initial direct costs for any leases that existed prior to adoption and we did not revisit whether any existing or expired contracts contain leases. The Company has operating and finance leases for office space, retail, data centers and certain office equipment with expiration dates ranging through 2032, with various renewal options. Only renewal options that were reasonably assured to be exercised are included in the lease liability. As of December 31, 2022, the maturity of lease liabilities under Topic 842 are as follows:

Year	Operating Leases	Financing Leases	Total
	(In thousands)		
2023	\$ 3,877	\$ 158	\$ 4,035
2024	2,612	133	2,745
2025	1,994	19	2,013
2026	1,292	—	1,292
2027	590	—	590
Thereafter	1,069	—	1,069
Total	11,434	310	11,744
Less: present value discount*	(1,467)	(16)	(1,483)
Present value of lease liabilities	9,967	294	10,261
Less: current portion of lease liabilities	(3,354)	(147)	(3,501)
Total long-term lease liabilities	\$ 6,612	\$ 147	\$ 6,759
* The discount rate used was the relevant incremental borrowing rate in each of the jurisdictions wherein the leased properties are located			

The company's net assets recorded under operating and finance leases were \$9.6 million as of December 31, 2022. The lease cost recognized in our consolidated statements of income in the category of general and administrative, is summarized as follows:

(In thousands)	Year Ended December 31,	
	2022	2021
Operating Lease Cost	\$ 4,077	\$ 4,860
Finance Lease Cost:		
Amortization of Lease Assets	175	194
Interest on Lease liabilities	23	35
Finance Lease Cost	198	229
Sublease Income	(93)	(118)
Total Net Lease Cost	\$ 4,182	\$ 4,971

Other information about lease amounts recognized in our consolidated statement of income is summarized as follows:

	December 31, 2022
Weighted Average Lease Term - Operating Leases	4.08 years
Weighted Average Lease Term - Finance Leases	2.02 years
Weighted Average Discount Rate - Operating Leases	8.05 %
Weighted Average Discount Rate - Finance Leases	5.77 %

Commitments for minimum rentals under non-cancellable leases, under the legacy guidance in ASC 840 as of December 31, 2022 were as follows:

Year	Operating Leases	Financing Leases
	(In thousands)	
2023	\$ 3,877	\$ 158
2024	2,612	133
2025	1,994	19
2026	1,292	—
2027	590	—
Thereafter	1,069	—
Total	\$ 11,434	\$ 310
Less: sublease income	(93)	
Net lease payments	<u>\$ 11,341</u>	
Less: amount representing interest		23
Present value of obligations under financing leases		\$ 333
Less: current portion		(147)
Long-term obligations		<u>\$ 186</u>

As of December 31, 2022, our lease liability of \$10.3 million does not include certain arrangements, which are primarily airport leases that do not meet the definition of a lease under Topic 842. Such arrangements represent further commitments of approximately \$17.1 million as follows:

Year	Commitments
	(In thousands)
2023	\$ 12,593
2024	2,954
Thereafter	1,557
Total	<u>\$ 17,104</u>

Finance leases range from three to five years and are primarily for office equipment. Rental expense for office and airport facilities and certain equipment subject to operating leases for the period ended December 31, 2022 and 2021 was

\$18.6 million and \$10.5 million, respectively. The year over year increase in this rent expense is a result the Company restarting more normal airport operations in India, including re-opening airport locations that were closed during the COVID-19 pandemic.

Note 20. Working Capital Facilities

The Company maintains working capital debt facilities with banks in India for working capital funding requirements to support our foreign exchange, travel and remittance businesses. We are required to extend short-term credits to franchisee networks (B2B) and corporate customers. Additionally, we are required to maintain minimum levels of foreign currency inventory across branches and airport operations. Typically, these facilities carry interest rates 10.00% to 11.00% and are rupee denominated working capital lines and are collateralized against the receivables of these businesses and existing foreign currency inventory on hand.

As of December 31, 2022 and 2021, the total of these working capital facilities was \$3.4 million and \$5.6 million, respectively, and is included in current liabilities in the Company's consolidated balance sheets.

Note 21. Concentrations of Credit Risk

Credit Risk

The Company is potentially subject to concentrations of credit risk in its accounts receivable. Credit risk is the risk of an unexpected loss if a customer fails to meet its contractual obligations. Although the Company is directly affected by the financial condition of its customers and the loss of or a substantial reduction in orders or the ability to pay from the customer could have a material effect on the consolidated financial statements, management does not believe significant credit risks exist at December 31, 2022. The Company had no customer whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable.

Note 22. Subsequent Events

On February 21, 2023, the Company entered into Amendment No. 13 to its Credit Facility. Amendment No. 13 provided for, among other things, an extension of the maturity date from February 21, 2023 to May 23, 2023. The Company was required to make a \$5 million prepayment of the Revolver on February 21, 2023 and will be required to make an amortization payment on the Term Loan in the amount of \$5 million on March 31, 2023. Any repayments under the Revolver will be accompanied by a corresponding reduction in the aggregate revolving commitments. Lastly, amendment No. 13 modified certain other provisions within the Credit Agreement and has resulted in an approximately 1% per annum interest rate increase beginning February 21, 2023.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

As previously disclosed, by letter dated February 15, 2021, RSM notified the Audit Committee of the Board of Directors (the "Board") of the Company of its resignation as the Company's independent registered public accounting firm.

RSM was engaged by the Audit Committee on December 21, 2018 to serve as the Company's independent auditor for the fiscal year ending December 31, 2019 and was engaged again on June 12, 2020 to serve as the Company's independent auditor for the fiscal year ending December 31, 2020. RSM's previously issued reports on the Company's consolidated financial statements and the Company's internal controls over financial reporting for the fiscal year ended December 31, 2019 did not contain an adverse opinion or a disclaimer of opinion; nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. As of February 15, 2021, RSM had not completed its audit procedures or issued any reports on the Company's consolidated financial statements and internal controls over financial reporting for the fiscal year ended December 31, 2020.

From December 21, 2018 when RSM was initially engaged, through RSM's resignation, other than as provided below, there were no (i) "disagreements" (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K) between the Company and RSM on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of RSM, would have caused RSM to make reference to the subject matter thereof in its reports for such fiscal years and interim period, or (ii), "reportable events" as that term is described in Item 304(a)(1)(v) of Regulation S-K.

RSM informed the Company that there was a disagreement under Item 304(a)(1)(iv) of Regulation S-K with respect to the classification of \$30 million. In connection with a pending acquisition, in December 2020 the Company transferred \$30 million to a commingled trust account of its outside legal counsel that was not under the direct control of the Company, and classified the funds as a cash or cash equivalent on its consolidated balance sheet. RSM discussed with the Company RSM's view that these funds could not be classified as a cash or cash equivalent but could be classified as other current assets. There was no dispute that the \$30 million was owned by the Company and would be classified as part of current assets included in the consolidated financial statements.

The Company considered this issue to be an initial difference of opinion based on incomplete facts or preliminary information rather than a "disagreement" pursuant to Item 304(a)(1)(iv).

On February 15, 2021, RSM told the Chairman of the Company's Audit Committee during a telephone call that RSM was resigning as the Company's independent registered public accounting firm, effective immediately. RSM then advised the Chairman on the call that it was resigning as a result of being unable, despite repeated inquiries, to obtain sufficient appropriate audit evidence that would allow it to evaluate the business purpose of significant unusual transactions that occurred in the fourth quarter of 2020, including whether such transactions have been properly accounted for and disclosed in the consolidated financial statements subject to the Audit. RSM informed the Chairman that the unusual transactions concerned the Company's gift card business in India. RSM asserts that on that call it further advised the Chairman that if this requested information was further investigated it might materially impact the fairness or reliability of the consolidated financial statements subject to the audit or affect RSM's willingness to be associated with the Company's consolidated financial statements, but that since RSM had resigned, no further investigation would occur. The Chairman discussed with RSM the reasons for its resignation.

Promptly following the call between RSM and the Chairman of the Audit Committee, RSM sent the resignation letter dated February 15, 2021. RSM stated in its resignation letter that it was "resigning as a result of being unable, despite repeated inquiries, to obtain sufficient appropriate audit evidence that would allow it to evaluate the business purpose of significant unusual transactions that occurred in the fourth quarter of 2020, including whether such transactions have been properly accounted for and disclosed in the consolidated financial statements subject to the Audit." RSM informed the Company that the unusual transactions concerned the Company's gift card business in India. RSM also stated in its letter that it believed that the Company's "internal control over financial reporting was not effective as of December 31, 2020 due to the identification of a material weakness. Specifically, management did not design or implement the necessary procedures and controls over the gift or prepaid card revenue transaction cycle sufficient to prevent or detect a material misstatement." RSM further stated in the letter that, "because we have not completed the Audit, we cannot conclude on other control deficiencies that may rise to the level of a material weakness."

Effective March 5, 2021, the Company engaged K G Somani & Co LLP (formerly K G Somani & Co.) ("KGS"), as our independent accountants for the year ending December 31, 2020. The Audit Committee made the decision to engage KGS.

The Company has not consulted with the KGS during our two most recent fiscal years or during any subsequent interim period prior to its appointment as our new independent accountants regarding either:

(i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report was provided to us nor oral advice was provided that KGS concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or

(ii) any matter that was either the subject of disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (within the meaning of Item 304(a)(1)(v) of Regulation S-K). As a result of the resignation of RSM on February 15, 2021, the Company was unable to timely file its Annual Report on Form 10-K.

As referenced in the Company's February 20, 2021 press release following RSM's resignation, the Board engaged counsel, Skadden, Arps, Slate, Meagher & Flom LLP to, along with accounting experts from the consulting firm, AlixPartners LLP, assist the Company with respect to matters raised by the former auditor's resignation. Having reviewed the work performed by AlixPartners and considered their observations, the Board is satisfied that no steps are necessary with respect to any gift card business issues raised by the former auditor in its resignation.

The audit committee of the Company decided to retain KPMG for valuation work and Ernst & Young for tax advice, tax provisioning and SOX internal control evaluation work for the years 2021 and 2022.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures: We maintain a system of disclosure controls and procedures designed to provide reasonable assurance that the information required to be disclosed by the Company in reports that we file and submit under the Exchange Act is recorded, processed, summarized and reported accurately within the time periods specified in the SEC's rules and forms. Disclosure controls also are designed to reasonably assure that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Disclosure controls include components of internal control over financial reporting, which consists of control processes designated to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with United States generally accepted accounting principles.

We monitor and evaluate on an ongoing basis our disclosure controls and procedures in order to improve their overall effectiveness. In the course of these evaluations, we modify and refine our internal processes and controls as conditions warrant.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) promulgated under the Exchange Act) as of December 31, 2022. Based on that evaluation, management has concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accurately recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to ensure that information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with United States generally accepted accounting principles.

The term “internal control over financial reporting” is defined as a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our board of directors, audit committee, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of assets;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance. It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override of controls. Because of such limitations, there is a risk that material misstatements due to error or fraud may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process and, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In making its assessment of the effectiveness of the Company controls over financial reporting, management used the criteria set forth by the 2013 Committee of Sponsoring Organizations of the Treadway Commission, or 2013 COSO Internal

Control-Integrated Framework. Based on our assessment and those criteria, management believes that we maintained effective internal control over financial reporting as of December 31, 2022.

K G Somani & Co LLP, the independent registered public accounting firm that audited our consolidated financial statements included in this Annual Report on Form 10-K, audited the effectiveness of our internal control over financial reporting as of December 31, 2022. K G Somani & Co LLP has issued their report which is included in this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation during the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Ebix, Inc.

Opinion on the Internal Control Over Financial Reporting

We have audited Ebix, Inc. (the Company) internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the company as of December 31, 2022 and 2021, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows of the company for the years then ended, and the related notes to the consolidated financial statements and our report dated March 15, 2023 expressed an unqualified opinion.

Basis for Opinion

The company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For K G Somani & Co LLP

PCAOB Registration ID: - 3199

ICAI FRN: - 006591N/N500377

/s/ B R Somani

B R Somani

Partner

Membership No.: - 080153 (UDIN:- 23080153BGZUDY9268)

We have served the company's auditor since 2021.

New Delhi, India

March 15, 2023.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

ROBIN RAINA, 56, has been a director at Ebix since 2000 and Chairman of the Board at Ebix since May 2002. Mr. Raina joined Ebix in October 1997 as our Vice President-Professional Services and was promoted to Senior Vice President-Sales and Marketing in February 1998. Mr. Raina was promoted to Executive Vice President, Chief Operating Officer in December 1998. Mr. Raina was appointed President effective August 2, 1999, Chief Executive Officer effective September 23, 1999 and Chairman in May 2002. Mr. Raina holds an industrial engineering degree from Thapar University in Punjab, India.

Areas of Relevant Experience. Mr. Raina's strategic direction for the Company and implementation of such direction has proven instrumental for the Company's turnaround and growth.

HANS U. BENZ, 77, After receiving a master's degree at the "Swiss Harvard Business School" University of St. Gallen (HSG) in 1970, Hans Benz had a System- and Business-Engineer career for 40 years in many different positions. Mr. Benz joined Ebix as a director in 2005. From 2001 to 2005 Mr. Benz was President of the holding of the BISON GROUP, a Swiss corporation that develops and implements process-oriented business solution software in Europe. Prior to this position and from 1995 to 2001 he was President of a Swiss banking software development company belonging to the UBS Group. Previously Mr. Benz was with the private bank of Coutts & Co., Zürich as Senior Vice President and was also head of their global IT organization as a part of their larger worldwide NatWest IT organization.

Areas of Relevant Experience. Mr. Benz's former business experience extends from wholesale and retail industry to the Swiss private insurance industry as founding partner in a national data center. He has extensive experience in the software ERP and finance sectors, international marketing, strategic planning, IT planning, executive compensation, and defining strategic vision.

PAVAN BHALLA, 60, has been a director of Ebix since June 2004. He is currently the Chief Financial Officer of Vialto Partners, a leader in the global mobility space comprising over 6,000 dedicated Immigration and Tax professionals supporting multinational corporations globally. Previously, Mr. Bhalla was a Partner with FCM LLC, a consulting firm that serves the largest private equity firms in the world, from March 2019 to January 2021. Prior to that, from May 2017 to March 2019, he was President of Alight Solutions, a global provider of HR outsourced solutions. From September 2011 to April 2017, he was with Aon Corporation and held a number of positions including the CEO of their HR Outsourcing business. Prior to this role, he was the Executive Vice President, Chief Financial Officer and Treasurer of Harris Interactive Inc., a position he held since October 2010. Prior to that, Mr. Bhalla served as Vice President for Hewitt Associates, and had been in this role since August 2006. Before the roles at Hewitt Associates and Harris Interactive, Mr. Bhalla served as the Senior Vice President-Finance of MCI Inc., a global telecommunications company, and supervised the financial management of MCI's domestic business units. Prior to joining MCI in August 2003, Mr. Bhalla spent more than seven years with BellSouth Corporation, a telecommunications company, serving in a variety of executive positions, including Chief Financial Officer of BellSouth Long Distance from 1999 to 2002 and Corporate Controller of BellSouth Cellular Corp. from 1997 to 1999. Mr. Bhalla holds a master's degree in business administration from the University of Chicago's Booth School of Business. He is also a registered Certified Public Accountant from Illinois.

Areas of Relevant Experience. Mr. Bhalla has extensive hands-on relevant experience in corporate finance and international business transactions. His extensive accounting and financial background qualifies him as an audit committee financial expert under applicable SEC and the Nasdaq Stock Market Marketplace Rules (the "Nasdaq Marketplace Rules").

NEIL D. ECKERT, 60, has been a director of Ebix since 2005. Mr. Eckert is the founder and Chairman of Conduit Re, founded in November 2020 through the largest IPO start up in the history of the London Stock Exchange, raising over \$1.05 billion. He also serves as the Executive Chairman of IncubEx, a company that specializes in the development of environmental commodity markets. He was also co-founder and Chief Executive Officer of Climate Exchange PLC until the sale of the company to Intercontinental Exchange in July 2010. Climate Exchange owned Chicago Climate exchange and European Climate exchange, which hosted over 90% of Global Carbon Emissions Trading Scheme volumes. Mr. Eckert was also previously the founding Chairman of Trading Emissions PLC, an AIM-listed company that invested in carbon emissions reduction permits. Mr. Eckert was a co-founder of Benfield Group in 1988 and served on its board of directors until 1999. He founded Brit Insurance in 1995 and served as Chief Executive Officer until 2005 and served as Non-Executive Director of Arthur J. Gallagher UK Ltd until 2015. Mr. Eckert was founder and Chairman of Aggregated Micropower PLC, an AIM-listed renewable energy developer until its sale in January 2020.

Areas of Relevant Experience. Mr. Eckert has an extensive background with experience operating as either the Chairman or CEO of public companies and has executive experience in strategic planning, hands-on understanding of the insurance industry, and sales and marketing. He has worked with seven companies that have undergone an initial public offering process and has extensive M&A experience. Mr. Eckert has extensive experience in environmental markets and ESG-related matters.

GEORGE W. HEBARD III, 49, has been a director of Ebix since March 2015. Mr. Hebard is the Managing Partner of Ziba Capital, a New York investment firm. He previously served as a Managing Director of Barington Capital Group, a New York investment firm, from January 2014 to June 2019. Mr. Hebard was previously Interim Principal Executive Officer and Interim Chief Operating Officer of Enzon Pharmaceuticals, Inc., a position he held as an employee from May 2012 to December 2013 and as a consultant from January 2014 to March 2016. From September 2011 to April 2012, Mr. Hebard was a Managing Director at Icahn Capital LP, the entity through which Carl C. Icahn manages investment funds. From January 2005 to September 2011, Mr. Hebard served as a Managing Director at Blue Harbour Group, an investment firm in Greenwich, Connecticut. Prior to Blue Harbour Group, Mr. Hebard served as a Managing Director at Ranger Partners from April 2002 to December 2003, and prior to Ranger Partners, Mr. Hebard was an Associate at Icahn Associates Corp. from August 1998 to April 2002. Mr. Hebard was also a director of Turning Point Brands, Inc. (NYSE: TPB) from May 2014 to September 2018 and a director of Enzon Pharmaceuticals, Inc. (NASDAQ: ENZN) from February 2012 to November 2013. He has an MBA from INSEAD and an A.B. in Economics from Princeton University.

Areas of Relevant Experience. Mr. Hebard brings to the Board over twenty years of experience working in finance and investment management, including a strong record as a financially sophisticated investor with a broad understanding of the operational, financial and strategic issues facing public and private companies.

ROLF HERTER, 59, has been a director of Ebix since 2005. Mr. Herter is the managing partner of Streichenberg, Attorneys at Law in Zurich, Switzerland. Streichenberg is a mid-sized commercial law firm, and Mr. Herter has been managing partner since 2004. Mr. Herter's practice consists, among others, of representation for information technology companies, both private and publicly held. He has served on the board of directors of several companies and is currently serving as a member of the board of directors of YSMA AG, Ostschweizerische Treuhandgesellschaft AG, Swiss Brand Partners AG, Maitres du Temps (Schweiz) AG, Ambu AG, FT Red Three AG, Global Sourcing Services AG, Alma Packaging AG, Alma Immobilien & Verwaltungs AG and Bank & Olufsen AG.

Areas of Relevant Experience. Mr. Herter has extensive experience in the legal sector with expertise in managing multiple companies in terms of investments, capital structure, organization restructuring and governance, and with an expertise in European affairs.

PRIYANKA KAUL, 45, has been a director of Ebix since May 2021. Ms. Kaul is the founder and CEO of Sundays Forever, an Indian luxury travel property company, which she started in 2021. She has held various leadership positions in her career, including CEO of Forbes India and Division President of Network 18 Group (CNBC TV 19 and CNN TV 18) from 2018 - 2020, and as Chief Marketing and Revenue Officer at one of India's leading media groups, NDTV, from 1998 to 2018. Ms. Kaul pioneered multiple award-winning environmental campaigns for brands such as Toyota, Aircel, Coca-Cola, Reckitt Benckiser and the Gates Foundation, among others.

Areas of Relevant Experience. Ms. Kaul has extensive experience as a CEO, sales and marketing executive, and corporate strategist within the travel and media industries.

HANS UELI KELLER, 70, has been a director of Ebix since 2004. Mr. Keller has spent over 20 years with Zurich-based Credit Suisse, a global financial services company, serving as Executive Board Member from 1997 to 2000, head of retail

banking from 1993 to 1995, and head of marketing from 1985 to 1992. He serves as chairman of the board of Helvetica Property Investors AG, Zurich, a real estate fund and asset management company.

Areas of Relevant Experience. Mr. Keller has extensive executive experience in sales and marketing, corporate finance, strategic planning, executive compensation, and international distribution.

Executive Officers

We have five executive officers: Robin Raina, Steve Hamil, Graham Prior, Leon d’Apice and James Senge, Sr. Information as to Mr. Raina is provided above.

STEVE HAMIL, 54, joined the Company in April 2020 to serve as the Company’s Corporate Executive Vice President and the Company’s Global Chief Financial Officer. Prior to joining the Company and since 2013, Mr. Hamil served at Regions Financial Corporation as a Senior Vice President and Managing Director in the technology, media and communications and defense and governments services banking group. Prior to this position he served as Senior Vice President and Senior Client Manager at BBVA USA and its predecessor company, Compass Bancshares Inc., from 2010 to 2013. From 2000 to 2009, Mr. Hamil held multiple positions at Wachovia Capital Markets, LLC, the latest being a Director within the Loan Syndications/ Leverage Finance group. Earlier in his career, Mr. Hamil was the Senior Vice President of Finance and Chief Accounting Officer at Movie Gallery, Inc., and held positions at Bank of America Corporation and Ernst & Young Global Limited. Mr. Hamil is a certified public accountant (inactive — State of Alabama) and holds both a B.S. in Business Administration (Accounting) from the University of Alabama (summa cum laude) and a Masters of Business Administration from Duke University’s Fuqua School of Business.

GRAHAM PRIOR, 66, was made an executive officer of the Company in 2012. Mr. Prior retired in 2021, but returned to the Company as Corporate Executive Vice President - International Business & Intellectual Property in the first quarter of 2022. Mr. Prior is a Chartered Accountant and holds a Bachelor of Commerce and Administration degree. He has worked in the insurance software industry since 1987. Mr. Prior joined the Company in 1996 when the company he co-founded and for which he was a Director was acquired by Ebix. Since joining Ebix Mr. Prior has been responsible for establishing and managing Ebix’s presence in the international insurance technology markets Ebix serves, primarily Australia, New Zealand, Singapore, Europe, Africa and Asia. Historically, Mr. Prior has been integral to and provided senior leadership for the Company’s global software development initiatives.

LEON d’APICE, 67, was made an executive officer of the Company in 2012. He serves as the Company’s Corporate Executive Vice President and Managing Director - Ebix Australia Group. Mr. d’Apice, has been employed with Ebix since 1996 when the Company acquired Complete Broking Systems Ltd for which Mr. d’Apice was also a part owner. Mr. d’Apice has been in the information technology field since 1977 and is currently responsible for all of the operations of Ebix’s Australia business units.

JAMES SENGE, SR., 62, was made an executive officer of the Company in 2012. He serves as the Company’s Senior Vice President EbixHealth. Mr. Senge has been employed with Ebix since 2008 when the Company acquired Acclamation Systems, Inc. (“Acclamation”). Mr. Senge had been employed by Acclamation since 1979. During his over 33 years with Acclamation/Ebix Mr. Senge has been involved with all facets of the EbixHealth division, including being responsible for the strategic direction and day to day operations of the divisions. Mr. Senge’s focus is on expanding the Company’s reach into the on-demand, end to end technology solutions for the health insurance and healthcare markets. Mr. Senge works from Ebix’s Pittsburgh, Pennsylvania office.

Corporate Governance

The following table lists our three board committees, the directors who served on them as of the end of 2022 and the number of committee meetings held in 2022.

Name	Audit	Compensation	Corporate Governance and Nominating	Strategic Investment
Mr. Bhalla	C		M	C
Mr. Benz	M	M		
Mr. Eckert		M	C	M
Mr. Herter			M	M
Mr. Keller	M	C		M
Mr. Raina				
Mr. Hebard				
Ms. Priyanka Kaul				
2022 Meetings	5	7	2	5

On February 20, 2015, the Board appointed Hans Ueli Keller as Lead Independent Director. As Lead Independent Director, Mr. Keller's responsibilities include, but are not limited to: (i) coordinating the activities of the independent directors; (ii) setting the agenda for board meetings in conjunction with the CEO and corporate secretary; (iii) chairing executive sessions of the independent directors; and (iv) performing such other duties as are assigned from time to time by the board.

It is the Company's policy that directors should attend each meeting of the Board of Directors and each meeting of the committees on which they serve. During 2022, the Company's full Board of Directors met eight times, all of the meetings being conducted over telephonic conference calls. Each member of the Board of Directors attended all of the regular meetings of the Board and the Board committees on which the director served and for which they were eligible to participate. In addition to participation at Board and committee meetings, our directors discharge their responsibilities throughout the year through personal meetings and other communications, including considerable telephone contact with the Chairman and Chief Executive Officer and sometimes with other pertinent members of management regarding matters of interest and concern to the Company.

Effective January 9, 2015, the Company amended its bylaws in a way that changed the procedures by which security holders may recommend nominees to the Company's Board of Directors. Section 3.10 of the Amended and Restated Bylaws creates certain advance notice requirements for stockholder nominations of directors at both annual and special meetings. To be timely, a director nomination by a stockholder for an annual meeting must be submitted not less than 90 nor more than 120 days before the anniversary date of the immediately preceding annual meeting. In the case of a nomination at a special meeting, notice of such nomination must be given within 10 days that notice of such meeting was provided or made public.

In addition, Section 3.10 of the Amended and Restated Bylaws requires disclosures relating to the nominees and their relationships with stockholders proposing their nomination. Among other things, Section 3.10 of the Amended and Restated Bylaws requires a proposed nominee to: (1) represent and promise that the nominee is not, nor will become, party to any understanding with another person (a) to vote or act as a Director in a certain manner or (b) concerning compensation, reimbursement or indemnification without disclosure to the Company; and (2) represent that, if elected to the Board, such nominee would comply with Regulation FD and Company governance, trading, ethics, stock ownership and other policies.

Section 3.10 of the Amended and Restated Bylaws also requires disclosures similar to a stockholder proposing business for an annual meeting. In addition, a proposing stockholder, including its affiliates, must disclose all agreements or other understandings with a director nominee it has proposed, as well as any other material interest involved in such nomination.

Code of Conduct and Ethics

The Board has adopted the Code of Conduct and Ethics (the "Code of Ethics"), which applies to the senior financial officers (the "Senior Financial Officers") of the Company and its subsidiaries, including its principal executive officer, principal financial officer and principal accounting officer. Our Board also has adopted a Code of Conduct, articulating standards of business and professional ethics, which is applicable to all of our directors, officers and employees. The Company is committed to the highest standards of professional and ethical conduct, and the Code of Ethics and Code of Conduct provide guidance as to upholding these standards.

The Code of Ethics consists of basic standards of business practice, as well as professional and personal conduct, including prohibitions against any conduct or transactions that might constitute a conflict of interest between the Senior

Financial Officers and the Company. Any action that might constitute a conflict of interest is reviewed by Company management, and potential conflicts of executive officers or members of the Board are reviewed by the Board.

This Code of Ethics is posted on the Company's website at www.ebix.com, where it may be found by navigating to "Ebix Inc. Code of Ethics" under Corporate Governance within the Investor section of the website. Any amendment to or waiver of the Code of Ethics must be approved by the Audit Committee and will be promptly disclosed by the Company. The Company intends to satisfy the disclosure requirement under Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Ethics by posting such information on the Company's website, at the address and location specified above. These codes are reviewed annually and amended as necessary or appropriate in response to changing regulatory requirements and evolving best practices.

Audit Committee and Audit Committee Financial Expert

The Company has a standing Audit Committee. The Audit Committee's principal responsibility is to assist the Board in its general oversight of the Company's financial reporting, internal controls, ethics compliance and audit functions. This committee is directly responsible for the appointment, compensation and oversight of the work of the Company's independent public accounting firm, reviews the annual financial results and the annual audit of the Company's consolidated financial statements and approves the inclusion of the audited consolidated financial statements in the Company's Annual Report on Form 10-K.

The Audit Committee assists the Board in monitoring: (a) the integrity of our consolidated financial statements, (b) the effectiveness of our internal control over financial reporting, (c) the effectiveness of our disclosure controls, (d) the qualifications and independence of our independent registered public accounting firm, (e) the performance of our independent registered public accounting firm, and (f) our compliance with legal and regulatory requirements. The Audit Committee is also responsible for oversight of the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. The Audit Committee's charter provides that the Audit Committee review and approve related party transactions and conflicts of interest questions between Board members or senior management, on the one hand, and the Company, on the other hand (as defined and required by applicable securities laws, rules and regulations and the rules of the Nasdaq). The Audit Committee is also responsible for reviewing and monitoring compliance with the Company's Code of Ethics for Senior Financial Officers. In addition, the Audit Committee has established procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, financial reporting, internal accounting controls or auditing matters and the confidential and anonymous submission by Company employees of concerns regarding accounting and auditing matters.

The Audit Committee exercises oversight responsibility regarding the quality and integrity of our auditing and financial reporting practices. In discharging this responsibility, the Audit Committee, among other things, holds the authority to approve or remove the independent registered public accounting firm and to pre-approve the audit and any non-audit service to be provided by the auditors and reviews the results and scope of the annual audit performed by the auditors. The Audit Committee has three members, who currently are Messrs. Bhalla (Chairman), Benz and Keller. After reviewing the qualifications of the current members of the Audit Committee, and any relationships they may have with the Company that might affect their independence from the Company, our Board has determined that: (1) all current members of the Audit Committee are "independent" as that concept is defined in Section 10A of the Securities Exchange Act of 1934, (2) all current members of the Audit Committee are "independent" as that concept is defined in the Nasdaq listing standards, (3) all current members of the Audit Committee are financially literate, and (4) Mr. Bhalla qualifies as an "audit committee financial expert" as defined under SEC rules promulgated under the Sarbanes-Oxley Act of 2002. The Audit Committee met five times during 2022. The Audit Committee exercises its authority pursuant to a written charter that was adopted in October 2004.

Strategic Investment Committee

On January 11, 2022 the Board of Directors formed the Strategic Investment Committee in order to assist it in evaluating strategic opportunities and financing and capital raising alternatives available to the Company. There are presently four members of the Strategic Investment Committee, Messrs. Bhalla (Chairman), Eckert, Herter, and Keller, each of whom is independent as that concept is defined by the Securities and Exchange Act of 1934 and the Nasdaq listing standards and discussed further above. The Strategic Investment Committee exercises its authority pursuant to a written charter that was adopted by the Board of Directors in November 2022 and amended in February 2023. The Strategic Investment Committee met five times during 2022.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors and persons who beneficially own more than ten percent of a registered class of our equity securities to file with the Securities and Exchange Commission reports of securities ownership on Form 3 and changes in such ownership on Forms 4 and 5. Officers, directors and more than ten percent beneficial owners also are required by rules promulgated by the Securities and Exchange Commission to furnish the Company with copies of all such Section 16(a) reports that they file. Based solely upon a review of the copies of Forms 3, 4, and 5 furnished to the Company or representations by certain executive officers and directors that no such reports were required for them, the Company believes that during 2022 all of the Company's directors, officers and more than ten-percent beneficial owners filed all such reports on a timely basis, except Mr. Hamil filed a Form 4 on March 14, 2023 covering eleven separate tax withholding adjustments on vesting restricted stock for which seven Form 4s were due in 2022, on dates January 13, 2022, April 14, 2022, May 23, 2022, July 14, 2022, August 23, 2022, October 13, 2022, and November 22, 2022, respectively.

Item 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives and Goals

The objectives of the Compensation Committee have been to adopt a compensation approach that is simple, internally equitable, and externally competitive, and that attracts, motivates, and retains qualified people capable of contributing to the growth, success and profitability of the Company, thereby contributing to long-term stockholder value.

Simplicity. The Compensation Committee believes that a compensation package with three major elements of compensation is the simplest approach, consistent with the Company's goals. The Company generally does not utilize special personal perquisites, such as private jets, payment of country club dues, Company-furnished motor vehicles, permanent lodging, or defrayment of the cost of personal entertainment.

Internal Equity. Internal equity has generally been evaluated based on an assessment of the relative contributions of the members of the management team. In 2022, the Compensation Committee did not undertake any formal audit or similar analysis of compensation equity with respect to either the CEO relative to the other members of the management team or with respect to the management team relative to the Company's employees generally. However, the Compensation Committee believes that the relative difference between CEO compensation and the compensation of the Company's other executives is consistent with such differences found in the Company's insurance services peer group and the market for executive-level personnel for public companies of similar size.

External Competitiveness. The Compensation Committee believes it is important to management retention and morale that compensation be competitive with our competitors. In setting annual compensation, the Compensation Committee generally reviews market data and compares total annual compensation opportunities for our executive officers with compensation opportunities for similar positions at comparable companies. Based on this review, the Compensation Committee approves compensation levels and opportunities for our CEO and our other executive officers that the Compensation Committee believes are competitive with the marketplace and provide appropriate retention and incentive value.

Major Compensation Components

The principal components of compensation for our executive officers are: (i) base salary, (ii) short-term incentives, generally in the form of cash bonus programs, and (iii) long-term incentives, generally in the form of equity-based awards such as stock awards. We believe the Company's goals are best met by utilizing an approach to compensation with these three distinct elements.

Base Salary:

Base salaries for our executive officers are established based on the scope of their responsibilities, prior relevant background, professional experience, and technical training. Also in this regard, the Compensation Committee takes into account competitive market compensation paid by the companies represented in the compensation data it reviews for similar positions, and the overall market demand for such executives. Although the Company considered the same factors in establishing the base salaries of each of its executive officers, due to the different levels of roles played by each executive, the base salaries are justifiably substantially different.

On April 10, 2019, the Company's Board of Directors, upon recommendation from the Compensation Committee, announced that Mr. Raina's salary for 2019 and going forward is to be paid in shares of common stock of the Company. As a result, on January 2, 2020 the Company granted Mr. Raina 107,655 shares of restricted common stock, which represented his annual salary of \$3,600,000 divided by \$33.44, the closing price of the Company's common stock on January 2, 2020. No cash salary was paid to Mr. Raina in 2020 and no cash or grant of restricted common stock for base salary was made to Mr. Raina in 2021.

On October 3, 2022, Mr. Raina accepted the offer of the Compensation Committee to receive compensation of \$3.6 million in cash, intended to be paid in 2022. \$1.2 million of the \$3.6 million approved by the Compensation Committee was counted as base salary for Mr. Raina, and \$2.4 million of the \$3.6 million approved compensation amount was provided as part of a retention bonus arrangement for a defined three-year period. Mr. Raina received the entire \$1.2 million agreed upon salary component during 2022. Prior to October 3, 2022, he had not received any annual salary amount in either cash or restricted stock for 2022.

Incentive Bonus Plan

The stockholders approved a Bonus Plan for Mr. Raina at the 2016 Annual Meeting. The Bonus Plan provides for the payment of annual cash incentive awards to the Company's Chief Executive Officer based upon the achievement by the Company of specified performance goals. The Bonus Plan was intended to preserve the Company's federal income tax deduction for annual incentive payments to the CEO by meeting the requirements for "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986 as amended (the "Code") (or any successor provision). However, Section 162(m) of the Code was amended in December 2017 as discussed below. Participation in the Bonus Plan is limited to the CEO of the Company. The Company does not anticipate that compensation paid to any of its other executive officers will be subject to the compensation deduction limits of Section 162(m). The Bonus Plan provides that Mr. Raina is eligible to receive cash incentives in connection with a particular fiscal year during the term of the Bonus Plan if the Company meets or exceeds certain performance goals ("Performance Goals") set each year by the Compensation Committee. Not later than ninety (90) days after the commencement of any fiscal year during the term of the Bonus Plan (or such other date as may be permitted or required by Section 162(m)), and at a time when the outcome is uncertain, the Compensation Committee will set in writing Performance Goals based on one or more of the following business criteria:

- Revenue
- Sales
- Profit (net profit, gross profit, operating profit or other corporate profit measures)
- Earnings (EBIT, EBITDA, earnings per share, or other corporate earnings measures)
- Net income (before or after taxes, operating income or other income measures)
- Cash (cash flow, cash generation or other cash measures)
- Stock price or performance
- Total stockholder return (stock price appreciation plus reinvested dividends divided by beginning share price)
- Return measures (return on assets, capital, equity, investments or sales, and cash flow return on assets, capital, equity, or sales)
- Market share
- Improvements in capital structure
- Expenses (expense management, expense ratio, expense efficiency ratios or other expense measures)
- Business expansion or consolidation (acquisitions and divestitures)
- Strategic plan development and implementation

At the time the Compensation Committee sets the Performance Goals for a particular fiscal year, it will also set in writing the CEO's incentive bonus opportunity, expressed as a dollar amount or a percentage of the CEO's base salary, which will be earned if the established Performance Goals are achieved.

Performance Goals may be specified in absolute terms, on an adjusted basis, in percentages, or in terms of growth from period to period or growth rates over time, as well as measured relative to the performance of a group of comparator companies, or a published or special index, or a stock market index. Performance Goals need not be based upon an increase or positive result under a business criterion and could include, for example, the maintenance of the status quo or the limitation of economic losses (measured, in each case, by reference to a specific business criterion). Performance measures may but need not be determinable in conformance with generally accepted accounting principles.

Payment of annual incentives under the Bonus Plan will be made promptly following the Compensation Committee's written certification that the Performance Goals and any other material conditions were satisfied. The Compensation Committee has the right to exercise negative discretion to pay out an annual incentive to the CEO under the Bonus Plan that is less than the amount that would have been payable based solely upon application of the applicable Performance Goals. The Compensation Committee may, in its discretion, pay annual incentives to the other named executive officers.

On October 20, 2021 the Compensation Committee approved a retention bonus of \$3.6 million to Mr. Raina for a defined three-year period. If Mr. Raina voluntarily resigns from his position he must immediately return any unearned amounts remaining under the three-year term. If Mr. Raina is terminated for any reason, all unearned remaining amounts will automatically become earned and vested.

As referenced above, on October 3, 2022, Mr. Raina accepted the offer of the Compensation Committee to receive cash compensation of \$3.6 million, intended to be paid in 2022. \$2.4 million of the \$3.6 million compensation package for Mr. Raina was provided as part of a retention bonus arrangement for a defined three-year period. Mr. Raina received \$1.8 million of the \$2.4 million retention bonus during 2022 with the remaining \$0.6 million to be paid during the first quarter of 2023. If Mr. Raina voluntarily resigns from his position he must immediately return any unearned amounts remaining under the three-year term. If Mr. Raina is terminated for any reason, all unearned remaining amounts will automatically become earned and vested.

Long-Term Incentives:

While salary and short-term incentives are primarily designed to compensate current and past performance, the primary goal of the long-term incentives, such as stock options and restricted stock awards, is to link executive officer compensation with the long-term interests of the stockholders.

On July 20, 2020, the Compensation Committee, in consultation with the entire Board, granted 200,000 shares of restricted stock to Mr. Raina under the 2010 Plan as incentive compensation to recognize Mr. Raina's leadership in guiding the Company, especially related to the actions taken in connection with COVID-19. The shares vest over a three-year period. The first one-third of these awards vested on July 20, 2021 and the remaining two-thirds vest in quarterly installments over the next eight quarters.

Steve Hamil was awarded the following restricted stock grants by the Compensation Committee: (i) a grant of 30,432 shares of Company common stock on April 13, 2020; and (ii) a grant of 5,527 shares of Company common stock on May 19, 2021.

Use of Compensation Consultants and Benchmarking

In June 2019, after much analysis of potential consulting firms, the Compensation Committee recommended, and the Board of Directors subsequently approved retaining Ernst & Young LLP ("EY") as a compensation consultant to assist with executive compensation matters. The EY study, completed in 2020, carried out a benchmarking study and assessed the overall trends in remuneration of positions comparable to that of a CEO and Independent Directors of the Company. The study looked at the key trends in terms of compensation components and structure, while covering organizations comparable in terms of sector, size and global spread of operations. The Compensation Committee accordingly finalized the compensation levels and opportunities that the Compensation Committee believed are competitive with the marketplace and provide appropriate retention and incentive value.

Other Compensation Components

Company executives are eligible to participate in the Company's health care, insurance and other welfare and employee benefit programs, which are the same for all eligible employees, including Ebix's executive officers.

Use of Employment and Severance Agreements

In the past, the Compensation Committee has determined that competitive considerations merit the use of employment contracts or severance agreements for certain members of senior management. Presently, however, no member of senior management is employed under an employment contract.

Recapture and Forfeiture Policies

Historically the Company has not had formal policies with respect to the adjustment or recapture of performance based awards where the financial measures on which such awards are based or to be based are adjusted for changes in reported results such as, but not limited to, instances where the Company's consolidated financial statements are restated. The Compensation Committee does not believe that repayment should be required where the Plan participant has acted in good faith and the errors are not attributable to the participant's gross negligence or willful misconduct. In such later situations, the Compensation Committee believes the Company has or will have available negotiated or legal remedies. However, the Compensation Committee may elect to take into account factors, such as the timing and amount of any financial restatement or adjustment, the amounts of benefits received, and the clarity of accounting requirements leading to any restatement in fixing of future compensation.

Deductibility of Compensation and Related Tax Considerations

As one of the factors in its review of compensation matters, the Compensation Committee considers the anticipated tax treatment to the Company and to the executives of various payments and benefits.

Section 162(m). For 2017 and earlier, Section 162(m) imposed a \$1.0 million limit on the amount that a publicly traded company may deduct for compensation paid to its chief executive officer and its next three most highly compensated executives, excluding the chief financial officer. This limitation did not apply to pay that qualifies as "performance-based compensation." In order to qualify as performance-based, compensation must, among other things, be based solely on the attainment of pre-established, objective goals under a stockholder approved plan with no discretion permitted in determining award payouts. However, the Tax Cuts and Jobs Act adopted in December 2017 made significant changes to Section 162(m) of the Code that impacted public companies, including our company. Starting with the 2018 fiscal year, only performance-based compensation that is paid pursuant to a binding contract in effect on November 2, 2017 is exempt from the \$1,000,000 deduction limit. Accordingly, any compensation that we paid pursuant to new compensation arrangements entered into after November 2, 2017, even if performance-based, will count towards the \$1,000,000 deduction limit. In addition, the \$1,000,000 deduction limit applies to a broader group of executives, including the chief financial officer and any individual who serves as our chief executive officer or chief financial officer at any time after January 1, 2018, plus any executive who is among our three most highly compensated executive officers for any fiscal year beginning with 2018. In order to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, some of the compensation that we provide to our executive officers may not be deductible.

Section 280G. Code Section 280G generally denies a deduction for a significant portion of certain compensatory payments made to corporate officers, certain stockholders and certain highly-compensated employees if the payments are contingent on a change of control of the employer and the aggregate amounts of the payments to the relevant individual exceed a specified relationship to that individual's average compensation from the employer over the preceding five years. In addition, Code Section 4999 imposes on that individual a 20% excise tax on the same portion of the payments received for which the employer is denied a deduction under Section 280G. In determining whether to approve an obligation to make payments for which Section 280G would deny the Company a deduction or whether to approve an obligation to indemnify (or "gross-up") an executive against the effects of the Section 4999 excise tax, the Compensation Committee has adopted an approach similar to that described above with respect to payments which may be subject to the deduction limitations of Section 162(m).

Compensation Committee Conclusion

Attracting and retaining talented and motivated management and employees is essential to create long-term stockholder value. Offering a competitive, performance-based compensation program with a large equity component helps to achieve this objective by aligning the interests of the Company's CEO and other executive officers with those of stockholders. The Compensation Committee believes that Ebix's 2022 compensation program met these objectives. Likewise, based on our review, the Compensation Committee finds the total compensation (and, in the case of the severance and change-in-control scenarios, the potential payouts) to the Company's CEO and other named executive officers in the aggregate to be reasonable and not excessive.

Amended SAR Agreement

On April 10, 2018, the Company entered into a Stock Appreciation Right Award Agreement with Robin Raina, the Company's Chairman, President and Chief Executive Officer, which was amended effective May 7, 2019.

Upon the effective date of the original SAR Agreement, Mr. Raina received 5,953,975 stock appreciation rights with respect to the Company's common shares (the "SARs"). Upon an Acquisition Event, as defined in the Amended SAR Agreements, each of the SARs entitled Mr. Raina to receive a cash payment from the Company equal to the excess, if any, of the net proceeds per share received in connection with the Acquisition Event over the base price of \$7.95 per share. Although the SARs were not granted under the Company's 2010 Stock Incentive Plan (the "Plan"), the Amended SAR Agreement incorporated certain provisions of the Plan, including the provisions requiring equitable adjustment of the number of SARs and the base price in connection with certain corporate events (including stock splits). Under the terms of the Amended SAR Agreement, Mr. Raina will be entitled to receive full payment with respect to the SARs if either he (i) were employed by the Company on the closing date of an Acquisition Event or (ii) had been involuntarily terminated by the Company without cause (as defined in the Amended SAR Agreement) within the 180-day period immediately preceding an Acquisition Event. All of the SARs will be forfeited if Mr. Raina's employment is terminated for any other reason prior to the closing date of an Acquisition Event. The Amended SAR agreement further provides that if an Acquisition Event occurs more than 180 days after, but not later than the tenth anniversary of, the date that Mr. Raina's employment is involuntarily terminated by the Company without Cause (as defined in the Amended SAR Agreement), 1,000,000 SARs will be deemed accrued and will be eligible to vest on the closing date of the Acquisition Event, which number will be increased by 750,000 SARs beginning on the first anniversary of the effective date of the Amended SAR Agreement and each anniversary thereafter (subject in each case to Mr. Raina's continued employment on each anniversary date), until 100% of the SARs (including any Shortfall Grants) have accrued and are eligible to vest on the closing date of an Acquisition Event that occurs more than 180 days after, but not later than the tenth anniversary of, the date that Mr. Raina's employment is involuntarily terminated by the Company without Cause; provided, however, that, (i) no additional SARs will accrue following the date that Mr. Raina's employment is involuntarily terminated by the Company without Cause, (ii) any accrued SARs will be forfeited if an Acquisition Event does not occur prior to the tenth anniversary of the date that Mr. Raina's employment is involuntarily terminated by the Company without Cause, and (iii) all of the SARs will be forfeited if Mr. Raina's employment terminates for any other reason prior to the closing date of an Acquisition Event. As of December 31, 2022, 4,000,000 SARs have accrued and are eligible to vest on the closing date of an Acquisition Event that occurs more than 180 days after, but not later than the tenth anniversary of, the date that Mr. Raina's employment is involuntarily terminated by the Company without Cause.

In addition, while Mr. Raina is employed by the Company and prior to an Acquisition Event, the Amended SAR Agreement provides that the Company's Board would determine annually whether a "shortfall" (as described below) exists as of the end of the immediately preceding fiscal year. In the event the Board determined that a shortfall existed, Mr. Raina will be granted additional SARs (or, in the Board's sole discretion, additional restricted shares or restricted stock units (each a "Share Grant")) in an amount sufficient to eliminate such shortfall (each a "Shortfall Grant"). Under the terms of the Amended SAR Agreement, a shortfall exists if the number of Mr. Raina's Shares is less than 20% of the total of (a) the number of SARs, plus (b) the number of outstanding shares reported by the Company in its audited consolidated financial statements as of the end of the immediately preceding fiscal year, minus (c) the number of shares paid, awarded or otherwise received by Mr. Raina from the Company as compensation after April 10, 2018, including any shares received as a result of Mr. Raina exercising stock options granted after April 10, 2018 or the grant or vesting of restricted stock or settlement of RSUs granted to Mr. Raina after April 10, 2018, but excluding any shares received as a result of the grant, vesting or settlement of any Share Grants. Under the terms of the Amended SAR Agreement, if the Board elects to make a Shortfall Grant in respect of such shortfall, such SARs would have been subject to the same terms and conditions as the SARs initially granted under the Amended SAR Agreement. If the Board elects to make a Share Grant in respect of such shortfall, such restricted shares or restricted stock units will have such terms and conditions as determined by the Board, but generally will follow the terms of the restricted shares or restricted stock units granted to other executives of the Company at or about the time of such Share Grant, but no Share Grant would have vested more rapidly than one-third of such Share Grant prior to the first anniversary of the grant date, with the remainder vesting in eight equal quarterly installments following the first anniversary of the grant date. As of December 31, 2022 no additional SARs have been made to Mr. Raina as no "shortfall" condition existed or has existed since the since the SAR Agreement was put in place.

Stockholder Advisory Vote

At the last Annual Meeting of Stockholders, approximately 55% of the votes cast by the Ebix stockholders present in person or by proxy and entitled to vote at the Annual Meeting and on the proposal were cast in support of the compensation of the Company's named executive officers, as discussed and disclosed in the proxy statement. The Board and the Compensation Committee appreciate and value the views of our stockholders.

Future advisory votes on executive compensation will continue to serve as an additional tool to guide the Board and the Compensation Committee in evaluating the alignment of the Company's executive compensation program with the interests of the Company and its stockholders.

Risk Considerations

Our Compensation Committee has reviewed risks arising from our compensation policies and practices for both our executives and non-executive employees and has determined that they are not reasonably likely to have a material adverse effect on the Company.

Compensation Committee Interlocks and Insider Participation

The Company's Compensation Committee currently consists of Mr. Keller, Mr. Benz and Mr. Eckert, with Mr. Keller serving as chairman. None of the members of the Compensation Committee have ever been officers or employees of the Company. No interlocking relationship exists between the members of the Company's Board of Directors or Compensation Committee and the Board of Directors or Compensation Committee of any other company.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with the Company's Chief Executive Officer and Chief Financial Officer the above Compensation Disclosure and Analysis. Based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Form 10-K.

This report has been submitted by the Compensation Committee:

Hans U. Benz, Neil Eckert and Hans Ueli Keller

The foregoing report shall not be deemed incorporated by reference by any general statement incorporating by reference this annual report into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.

Executive Compensation and Director Compensation Tables

The following table provides information relating to compensation earned by or paid to our named executive officers in all capacities.

Summary Compensation Table

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Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$ (1))	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total
Robin Raina, President,	2022	\$ 1,200,000	2,400,000 (2)	—	—	—	11,452 (4)	\$ 3,611,452
Chief Executive Officer	2021	\$ —	3,600,000 (3)	—	—	—	4,350 (4)	\$ 3,604,350
and Chairman of the Board	2020	\$ —		7,960,000	—			\$ 7,960,000
Steve Hamil, Corporate Executive Vice President	2022	\$ 325,000	150,000	—	—	—	2,325 (5)	\$ 477,325
and Global Chief Financial Officer	2021	\$ 325,000	150,000	150,000	—	—	2,100 (5)	\$ 627,100
	2020	\$ 231,250	—	500,000	—	—	2,438 (5)	\$ 733,688
Graham Prior, Corporate Senior Vice President	2022	\$ 147,955	—	—	—	—	— (6)	\$ 147,955
	2021	\$ 80,783	—	—	—	—	— (6)	\$ 80,783
	2020	\$ 161,964	—	—	—	—	— (6)	\$ 161,964
Leon d'Apice, Managing Director-	2022	\$ 208,548	—	—	—	—	21,898 (7)	\$ 230,446
	2021	\$ 217,880	—	—	—	—	16,259 (7)	\$ 234,139
Ebix Australia Group	2020	\$ 207,197	—	—	—	—	17,715 (7)	\$ 224,912
James Senge, Sr., Senior Vice President	2022	\$ 225,000	—	—	—	—	3,375 (8)	\$ 228,375
	2021	\$ 225,000	—	—	—	—	3,375 (8)	\$ 228,375
EbixHealth	2020	\$ 225,000	—	—	—	—	2,337 (8)	\$ 227,337

Footnotes

- (1) These amounts reflect the aggregate grant date fair value computed in accordance with accounting guidance related to stock compensation, based on the stock price on the date of grant.
- (2) On October 3, 2022, Mr. Raina accepted the offer of the Compensation Committee to receive compensation of \$3,600,000 in cash, intended to be paid in 2022. \$1,200,000 of this amount was counted as base salary for Mr. Raina, all of which was paid to him on October 6, 2022 as part of a \$1,800,000 partial payment on that date. As of January 1, 2022, Mr. Raina was still owed \$600,000 in compensation for 2022 which the Company intends to pay in the first quarter of 2023. If Mr. Raina resigns during the three-year period covered by the retention bonus, then he will be required to repay any unearned portion of the bonus previously paid.
- (3) 2021 bonus of \$3,600,000 was paid in cash as a retention bonus with a three-year tenure. If Mr. Raina resigns during the three-year period ending October 20, 2024 he will be required to repay any unearned portion of the bonus paid based on the remaining period of the three-year tenure of the retention bonus.
- (4) In 2022, the amount includes \$11,452 for expenses incurred by the Company relating to a personal matter involving Mr. Raina. In 2021, the amount includes a Company matching contribution to a 401(k)/Retirement Plan of \$4,350.
- (5) Mr. Hamil's base salary is \$325,000. Mr. Hamil started at Ebix on April 13, 2020, and his salary shown for 2020 is prorated. In 2022, 2021 and 2020, the amount includes a Company matching contribution to a 401(k)/Retirement Plan of \$2,325, \$2,100 and \$2,438, respectively.
- (6) Mr. Prior was compensated in Singapore Dollars. For 2022, all sums were derived by using the exchange rate as of December 31, 2022 of 0.7461. For 2021, all sums were derived by using the exchange rate as of December 31, 2021 of 0.7411. For 2020, all sums were derived by using the exchange rate as of December 31, 2020 of 0.74295. Mr. Prior retired from Ebix June 30, 2021 and the amount shown for 2021 is prorated. He returned to the Company in the first quarter of 2022.
- (7) Mr. d'Apice was compensated in Australian Dollars. For 2022, all sums were derived by using the exchange rate as of December 31, 2022 of 0.6820. For 2021, all sums were derived by using the exchange rate as of December 31, 2021 of 0.7263. For 2020, all sums were derived by using the exchange rate as of December 31, 2020 of 0.6907. His compensation includes a Company matching contribution to a 401(k)/Retirement Plan.
- (8) Mr. Senge's base salary is \$225,000, his compensation includes a Company matching contribution to a 401(k)/Retirement Plan.

Grants of Plan-Based Awards for 2022

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Robin Raina		—	—	—	—	—	\$ —	
Steve Hamil		—	—	—	—	—	\$ —	
Graham Prior		—	—	—	—	—	\$ —	
Leon d' Apice		—	—	—	—	—	\$ —	
James Senge, Sr		—	—	—	—	—	\$ —	

Outstanding Equity Awards at 2022 Fiscal Year-End

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Robin Raina	—	—	—	—	—	58,971 (1)	\$ 1,177,061	—	\$ —
Steve Hamil	—	—	—	—	—	7,836 (2)	\$ 156,407	—	\$ —
Graham Prior	—	—	—	—	—	—	\$ —	—	\$ —
Leon d'Apice	—	—	—	—	—	—	\$ —	—	\$ —
James Senge, Sr.	—	—	—	—	—	—	\$ —	—	\$ —

- (1) Robin Raina has been awarded restricted stock grants by the Compensation Committee: (i) a grant of 107,655 shares of Company common stock on January 2, 2020 of which 8,971 shares were unvested as of December 31, 2022; and (ii) a grant of 200,000 shares of Company common stock on July 30, 2020, of which 50,000 shares were unvested as of December 31, 2022.
- (2) Steven Hamil has been awarded restricted stock grants by the Compensation Committee: (i) a grant of 30,432 shares of Company common stock on April 13, 2020 of which 5,072 shares were unvested as of December 31, 2022; (ii) a grant of 5,527 shares of Company common stock on May 19, 2021 of which 2,764 shares were unvested as of December 31, 2022.

Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Vested (#)	Value Realized on Vesting (\$)
Robin Raina	—	\$ —	110,192	\$ 2,852,799
Steve Hamil	—	\$ —	12,908	\$ 330,989
Graham Prior	—	\$ —	—	\$ —
Leon d'Apice	—	\$ —	—	\$ —
James Senge	—	\$ —	—	\$ —

- (1) Reflects the excess of the fair market value of the shares at the time of exercise over the exercise price of the options.
- (2) Reflects the fair market value of the shares on the vesting date.

Pension Benefits and Nonqualified Deferred Compensation

The Company does not sponsor or maintain any tax-qualified defined benefit plans, supplemental executive retirement plans or nonqualified deferred compensation plans.

Potential Payments for Mr. Raina Upon a Change of Control

Below is the description of severance payments that Mr. Raina would have received under the Amended SAR Agreement had certain events occurred in 2022. As mentioned previously, no member of senior management other than Mr. Raina has an employment or severance agreement. Except as described below for Mr. Raina, upon a termination or change of control, each of the executive officers will receive only the unpaid portion of their salary and benefits through the date of termination. No severance payments, acceleration of equity vesting, or other special payments will be due to such executive officers, regardless of the circumstances of the termination.

Pursuant to the Amended SAR Agreement, Mr. Raina received 5,953,975 stock appreciation rights with respect to the Company's common shares (the "SARs"). The Amended SAR Agreement provides SARs to Mr. Raina in the event of the following: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than 50% of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company; or (iv) the acquisition or dissolution of the Company (each, an "Acquisition Event"). Upon an Acquisition Event, each of the SARs entitles Mr. Raina to receive a cash payment from the Company equal to the excess, if any, of the net proceeds per share received in connection with an Acquisition Event over the base price of \$7.95. Mr. Raina will only be entitled to receive a payment with respect to the SARs if he is employed by the Company at the time of an Acquisition Event or was terminated by the Company without cause within the 180-day period immediately preceding an Acquisition Event.

Annually, while Mr. Raina is employed by the Company and prior to an Acquisition Event, the Board shall determine whether a "shortfall" (as defined in the April SAR Agreement) existed as of the end of the immediately preceding fiscal year. In the event the Board determines that a shortfall existed, Mr. Raina will be granted additional SARs (or, in the Board's sole discretion, restricted shares or restricted stock units (each a "Share Grant")) in an amount sufficient to eliminate such shortfall (each a "Shortfall Grant"). A "shortfall" will exist if the number of Mr. Raina's shares is less than 20% of the total of (a) the number of SARs, plus (b) the number of outstanding shares reported by the Company in its audited consolidated financial statements as of the end of the immediately preceding fiscal year, minus (c) the number of shares paid, awarded or otherwise received by Mr. Raina from the Company as compensation after April 10, 2018, including any shares received as a result of Mr. Raina exercising stock options granted after April 10, 2018 or the grant or vesting of restricted stock or settlement of RSUs granted to Mr. Raina after April 10, 2018, but excluding any shares received as a result of the grant, vesting or settlement of any Share Grants.

No Shortfall Grant was made for 2022. As a result, in the event that an Acquisition Event had occurred on December 31, 2022, and assuming that the Company received Net Proceeds of \$19.96 per share (the closing price of the Company's common stock on December 31, 2022), Mr. Raina would have received a \$71.5 million payment upon the Acquisition Event.

Pay Ratio Disclosure

On August 5, 2015, the SEC adopted new rules implementing the pay ratio disclosure requirement of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). These rules require reporting companies to disclose the ratio of the annual compensation of the company's median employee to the annual compensation of its principal executive officer.

The 2022 annual total compensation of our CEO Mr. Raina was \$3.6 million, which includes the total value of base salary and retention bonus granted 2022. The 2022 annual total compensation of our median compensated employee for all

India and India lead locations was \$3,829, and the ratio of those amounts is 940 to 1. The 2022 annual total compensation of our median compensated U.S. employee was \$75,000 and the ratio of those amounts is 48 to 1. The 2022 annual total compensation of our median compensated employee for all international locations, excluding India and India lead businesses, was \$23,983.19, and the ratio of those amounts is 150 to 1. The 2022 annual total compensation of our median compensated employee for all U.S. and international locations, excluding India and India lead businesses, was \$45,243 and the ratio of those amounts is 80 to 1. For purposes of identifying the median compensated employee, we took into account salary, bonus, and fair market value of the restricted stock grants on the grant date during the year for all our employees as of December 31, 2022. We annualized this compensation for employees who did not work the entire year, except for employees designated as seasonal or temporary.

There is a lot of flexibility in how the median employees are identified. Companies are using different approaches that are appropriate for their employee population and compensation programs and are using estimates and assumptions. As a result, the ratio that other companies have calculated may not be comparable to the ratio that we have presented not only because of different businesses or different compensation programs, but because of using different methodologies and assumptions.

Director Compensation

On January 20, 2023, the Board granted the seven non-employee directors options to purchase 6,000 shares of common stock of which one-fourth will vest on January 20, 2024, and the remaining options will vest ratably each quarter in the years 2024, 2025 and 2026. On December 1, 2021, the Board granted the seven non-employee directors options to purchase 6,000 shares of common stock, of which one-fourth will vest on December 1, 2022, and the remaining options will vest ratably each quarter in the years 2023, 2024 and 2025. On December 17, 2020, the Board granted the six non-employee directors options to purchase 6,000 shares of common stock of which one-fourth will vest on December 17, 2021, and the remaining options will vest ratably each quarter in the years 2022, 2023 and 2024. In addition, each non-employee director received an annual cash retainer of \$25,000 during 2022. Mr. Keller received an additional cash retainer of \$16,000 for serving as the Compensation Committee Chairman and \$8,000 for serving on the Audit Committee. Mr. Benz received an additional cash retainer of \$8,000 for serving on the Audit Committee and \$8,000 for serving on the Compensation Committee. Mr. Bhalla received an additional cash retainer of \$32,000 for serving as the Audit Committee Chairman and \$8,000 for serving on the Audit Committee.

2022 Director Compensation

Name	Fees Earned or Paid in Cash	Option Awards (\$) (1)	Total (\$)
Pavan Bhalla	\$ 65,000	\$ —	\$ 65,000
Hans Ueli Keller	49,000	—	49,000
Hans U. Benz	41,000	—	41,000
Neil D. Eckert	33,000	—	33,000
Rolf Herter	25,000	—	25,000
George Hebard, III	25,000	—	25,000
Priyanka Kaul	25,000	—	25,000

every December. The grant that would typically be made in December 2022 was instead made in January 2023 and is not reflected in the table.

The following table lists below the aggregate number of outstanding options held by each director as of December 31, 2022:

**Aggregate Stock Option
Awards at Year End**

Pavan Bhalla	30,000
Hans Ueli Keller	30,000
Hans U. Benz	30,000
Neil D. Eckert	30,000
Rolf Herter	30,000
George Hebard, III	24,000
Priyanka Kaul	6,000

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

As of December 31, 2022, we maintained the 2010 Ebix Equity Incentive Plan and the 2020 Ebix Equity as approved by our stockholders. The table below provides information as of December 31, 2022 related to these plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Security Holders:			
-2010 Stock Incentive Plan	141,000	\$ 44.60	—
-2020 Stock Incentive Plan	78,000	14.03	4,915,216
Equity Compensation Plans Not Approved by Security Holders	5,953,975	(1) N/A	N/A
Total	6,172,975	\$ 42.38	4,915,216

(1) These are the SARs granted to Mr. Raina under the Amended SAR Agreement

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Name of Beneficial Owner	Current Beneficial Ownership	
	Number of Shares (1)	Percent of Class (2)
Robin Raina ⁽³⁾	4,309,204	13.9%
Neil D. Eckert ⁽⁴⁾	121,237	*
Rolf Herter ⁽⁵⁾	98,646	*
Leon d'Apice ⁽⁶⁾	89,978	*
Hans Ueli Keller ⁽⁷⁾	47,771	*
Hans U. Benz ⁽⁸⁾	28,252	*
Pavan Bhalla ⁽⁹⁾	102,716	*
James S. Senge, Sr. ⁽¹⁰⁾	12,221	*
Priyanka Kaul ⁽¹¹⁾	2,250	*
George Hebard ⁽¹²⁾	58,250	*
Steven M. Hamil ⁽¹³⁾	23,854	*
Graham Prior		*
Directors and executive officers as a group (11 persons) ⁽¹⁴⁾	4,894,379	15.8%
Other Beneficial Holders		
Blackrock Inc. ⁽¹⁵⁾	4,041,009	13.1%
The Vanguard Group ⁽¹⁶⁾	3,035,561	9.8%
Steven D. Lebowitz ⁽¹⁷⁾	1,889,166	6.1%

*Less than 1%.

(1) For purposes of this table, a person is deemed to be the beneficial owner of a security if he or she: (a) has or shares voting power or dispositive power with respect to such security, or (b) has the right to acquire such ownership within 60 days. "Voting power" is the power to vote or direct the voting of shares, and "dispositive power" is the power to dispose or direct the disposition of shares, irrespective of any economic interest in such shares.

(2) In calculating the percentage ownership or percent of equity vote for a given individual or group, the number of common shares outstanding includes unissued shares subject to options, warrants, rights or conversion privileges exercisable within 60 days held by such individual or group, but are not deemed outstanding by any other person or group. Percentage is based on 30,902,615 shares of our common stock outstanding as of March 6, 2023,

(3) Mr. Raina's ownership includes: (a) 58,971 shares of restricted stock and (b) 217,064 shares held as trustee for the Robin Raina Foundation, a 501(c) charity organization, which were donated by Robin Raina from vested restricted stock grants previously issued to Mr. Raina by the Company and to which Mr. Raina disclaims any beneficial ownership, (c) 1,000,000 shares transferred to Ms. Romica Raina under a divorce decree in August 2022 by Mr. Raina and for which Mr. Raina continues to retain voting rights so long as such shares are owned by Ms. Raina. The Federal Tax ID Number for the Robin Raina Foundation is 51-0497387. The address of Mr. Raina is 1 Ebix Way, Johns Creek, Georgia 30097. The Federal Tax ID Number for the foundation is 51-0497387. The address of Mr. Raina is 1 Ebix Way, Johns Creek, Georgia 30097. Mr. Raina presently has 1,766,988 shares of Company common stock pledged as security for a loan.

(4) Mr. Eckert's ownership includes options to purchase 23,250 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date. The address of Mr. Eckert is 62 Bishopsgate Lime Street, London EC2N 4AW, UK.

(5) Mr. Herter's ownership includes options to purchase 23,250 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date. The address of Mr. Herter is Carl Spitteler Str. 31 8053 Zürich, Switzerland.

(6) The address of Mr. d'Apice is 197 Foreshore Dr. Corlette NSW 2315, Australia.

(7) Mr. Keller's ownership includes options to purchase 23,250 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date. The address of Mr. Keller is Oberkreuzbuche 2 6315 Oberägeri, Switzerland.

(8) Mr. Benz's ownership includes options to purchase 23,250 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date. The address of Mr. Benz is Seehofstrasse 13 6314 Zug, Switzerland.

(9) Mr. Bhalla's ownership includes options to purchase 23,250 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date. The address of Mr. Bhalla is 4415 Bancroft Valley, Johns Creek, Georgia 30022.

(10) The address of Mr. Senge is 1629 Seegar Road, Pittsburgh, Pennsylvania 15241.

(11) Ms. Kaul's ownership includes options to purchase 2,250 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date. The address of Ms. Kaul is EG-1/2, Garden Estate, Near Guru Drona Metro Station, Gurugram, Haryana, India.

(12) Mr. Hebard's ownership includes options to purchase 17,250 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date. The address of Mr. Hebard is 56 East 87th St, Apt 5DC, New York, New York 10128. This beneficial ownership amount also includes 41,000 shares stock pledged in a margin account.

(13) Includes 23,854 shares of restricted stock. The address of Mr. Hamil is 1 Ebix Way, Johns Creek, Georgia 30097.

(14) Includes options to purchase 119,625 shares of our common stock which are exercisable as of March 6, 2023, or that will become exercisable within 60 days after that date.

(15) Based on information set forth on a Schedule 13G/A filed by Blackrock Inc. ("Blackrock") with the SEC on January 26, 2023. The Schedule 13G/A reports that Blackrock has: (a) sole voting power with respect to 3,990,525 of the shares and (b) sole dispositive power with respect to 4,041,009 of the shares. The address of Blackrock is 55 East 52nd Street, New York, New York 10055.

(16) Based on information set forth on a Schedule 13G/A filed by The Vanguard Group (“Vanguard”) with the SEC on February 9, 2023. The Schedule 13G/A reports that Vanguard has: (a) shared voting power with respect to 30,455 of the shares; (b) sole dispositive power with respect to 2,984,668 of the shares; and (c) shared dispositive power with respect to 50,893 of the shares. The address of Vanguard is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

(17) Based on information set forth on a joint Schedule 13G/A filed by Steven D. Lebowitz (“Mr. Lebowitz”), Andrew Lebowitz, Deborah P. Lebowitz, Ashley Lebowitz, Lauren Lebowitz Salem, The Lebowitz Family Stock, LLC, Robert Lebowitz, Leonard S. Pearlstein, Kathryn Lebowitz Silverberg, Susan Pearlstein, and Debra Paul with the SEC on February 9, 2023. The Schedule 13G/A reports that Mr. Lebowitz has: (a) sole voting power with respect to 66,000 of shares held by The Lebowitz Family Stock, LLC of which Mr. Lebowitz is the sole manager; (b) shared voting power with respect to 1,750,966 shares held by (i) Deborah P. Lebowitz, (ii) The Steven & Deborah Lebowitz Foundation, a trust over which Mr. Lebowitz serves as a co-trustee and (iii) the Lebowitz Family Trust – 1986, dated October 7, 1986, as amended, a trust over which Mr. Lebowitz serves as a co-trustee; (c) sole dispositive power with respect to 66,000 of the shares held by The Lebowitz Family Stock, LLC; and (d) shared dispositive power with respect to 1,823,166 of the shares held by (i) Deborah P. Lebowitz, (ii) The Steven & Deborah Lebowitz Foundation, (iii) the Lebowitz Family Trust – 1986, dated October 7, 1986, as amended, (iv) Lauren Lebowitz Salem, (v) Robert Lebowitz, (vi) Kathryn Lebowitz Silverberg, (vii) the A&A Lebowitz Trust, (viii) Leonard S. Pearlstein, (ix) The Leonard and Susan Pearlstein Community Property Trust, dated September 1, 1983, and (x) and Debra Paul. The address of Steven D. Lebowitz is 1333 Second Street, Suite 650, Santa Monica, CA 90410.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transactions

Under the Audit Committee's charter, and consistent with NASDAQ rules, any material potential or actual conflict of interest or transaction between the Company and any "related person" of the Company must be reviewed and approved by the Audit Committee. SEC rules define a "related person" of the Company as any director (or nominee), executive officer, 5%-or-greater shareholder or immediate family member of any of these persons.

Rahul Raina is the Company's Corporate Vice President Sales Ebix RCS & A.D.A.M. International Business Development and the brother of Robin Raina, our Chairman of the Board, President, and Chief Executive Officer. During each of 2022 and 2021 he was paid a salary of \$150,000, respectively, and received zero cash bonus. He received no share-based compensation awards in either 2022 or 2021.

During the year ended December 31, 2022 and 2021, Ebix did not donate to the Robin Raina Foundation, a non-profit 501(c) charity in support of the cause of building and providing homes for the severely underprivileged in India.

Director Independence

Our business is managed by the Company's employees under the direction and oversight of the Board. Except for Mr. Raina, none of our current directors are an employee of the Company. We keep directors informed of our business through discussions with management, materials we provide to them, visits to our offices and facilities and their participation in Board and Board committee meetings.

Under our Corporate Governance Guidelines, we require that a majority of the Board consist of independent, non-management directors, who also meet the criteria for independence required by the Nasdaq Marketplace Rules. Under such rules, a director is independent if he or she does not have a material relationship with the Company. Our Board annually evaluates each member's independent status.

The Board has determined that, as of January 1, 2022, the following seven of the Company's directors are independent under the Nasdaq Marketplace Rules: Messrs. Benz, Bhalla, Eckert, Hebard, Herter, and Keller, as well as Ms. Kaul. Mr. Raina, as a management director, participates in the Board's activities and provides valuable insight and advice.

Non-management directors have access to individual members of management or to other employees of the Company on a confidential basis. Directors also have access to Company records and files and directors may contact other directors without informing Company management of the purpose or even the fact of such contact.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES***Independent Registered Public Accounting Firm***

The following tables presents agreed fees billed for professional services rendered for the audit of our annual financial statements for 2022 and 2021:

Services Rendered by K G Somani & Co LLP	2022	2021
Audit Fees (1)	\$ 650,000	\$ 682,500
Audit Related Fees (2)	\$ —	\$ —
Tax Compliance Service Fees	\$ —	\$ —
All Other Fees (3)	\$ —	\$ —

(1) Integrated audit of the consolidated financial statements including quarterly reviews according to the engagement letter and administrative fees.

(2) Includes fees associated with the review of valuation reports associated with business acquisition and audits of the Company's 401(K) plans, and related out of pocket expenses incurred by the auditors.

(3) Includes fees related to the audit of the financial statements and the Company's purchase accounting for certain acquired businesses.

The Audit Committee considered and pre-approved all of the above-referenced fees and services. Pursuant to a policy adopted by our Board of Directors, the Audit Committee requires advance approval of all audit services and permitted non-audit services to be provided by the independent registered public accounting firm as required by the Securities Exchange Act of 1934.

Audit and Non-Audit Service Pre-Approval Policy

Consistent with SEC policies regarding auditor independence, our Audit Committee has the responsibility to appoint, set compensation and oversee the work of our independent auditor. In recognition of this responsibility, the Audit Committee has established a policy that requires it to pre-approve all audit and permitted non-audit services performed by our independent registered public accounting firm. Pre-approval is generally detailed as to the particular service or category of services and is subject to a specified budget. Management is required to seek pre-approval of services that will exceed the budget or for services that are not detailed in an existing pre-approval. The Chair of the Audit Committee has been delegated the authority to pre-approve certain services between regularly scheduled meetings, with ratification by the Audit Committee at the next regularly scheduled meeting. Management reports quarterly to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approvals and the fees for the services performed to date. All services performed by K G Somani & Co LLP related to fiscal years 2021 and 2022 were approved in accordance with this policy.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) 1. *Financial Statements*

The following consolidated financial statements and supplementary data of the Company and its subsidiaries, required by Part II, Item 8 are filed herewith:

- Report of Independent Registered Public Accounting Firm (PCAOB ID: 3199).
- Consolidated Balance Sheets as of December 31, 2022 and December 31, 2021.
- Consolidated Statements of Income for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.
- Consolidated Statements of Comprehensive Income for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.
- Consolidated Statements of Stockholders' Equity for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.
- Consolidated Statements of Cash Flows for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.
- Notes to Consolidated Financial Statements

2. *Financial Statement Schedules*

The following consolidated financial statement schedule is filed herewith:

- Schedule II—Valuation and Qualifying Accounts for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.
- Schedules other than those listed above have been omitted because they are not applicable or the required information is included in the consolidated financial statements or notes thereto.

3. *Exhibits*—The exhibits filed herewith or incorporated by reference are listed on the Exhibit Index attached hereto.

EXHIBIT INDEX

Exhibits

<u>3.1</u>	<u>Certificate of Incorporation, as amended, of Ebix, Inc. (filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and incorporated herein by reference).</u>
<u>3.2</u>	<u>Amendment to Certificate of Incorporation of Ebix, Inc. dated May 25, 2017</u>
<u>3.3</u>	<u>Amended and Restated Bylaws of Ebix, Inc., effective immediately following the Company's Annual Meeting of Stockholders, held on January 9, 2015 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated December 24, 2014).</u>
<u>3.4</u>	<u>Amendment to Certificate of Incorporation of Ebix, Inc. filed November 21, 2018 (filed as Exhibit 3.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and incorporated herein by reference).</u>
<u>3.5</u>	<u>Certificate of Designation of Series Y Convertible Preferred Stock (filed as Exhibit 3.1 to Ebix's Current Report on Form 8-K filed on July 25, 2019 and incorporated herein by reference).</u>
<u>4.1</u>	<u>Description of capital stock (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020).</u>
<u>10.1**</u>	<u>Ebix, Inc. 2020 Stock Incentive Plan (incorporated by reference to Appendix A of the Company's Schedule 14A filed on August 19, 2020).</u>
<u>10.2**</u>	<u>Ebix, Inc. 2010 Stock Incentive Plan (incorporated by reference to Annex A to the Company's Proxy Statement on Schedule 14A filed October 8, 2010).</u>
<u>10.6</u>	<u>Credit Agreement, dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 11, 2014).</u>
<u>10.7</u>	<u>Amendment No.1 and Waiver dated February 3, 2015 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 5, 2015).</u>
<u>10.8**</u>	<u>Ebix Inc. Chief Executive Officer Annual Incentive Bonus Plan effective January 1, 2016 (incorporated by Reference to Appendix A to the Company's Proxy Statement on Schedule 14A filed March 18, 2016).</u>
<u>10.9</u>	<u>Amendment No.2 dated June 17, 2016 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 22, 2016).</u>
<u>10.10</u>	<u>Amendment No.3 dated October 19, 2017 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 10-K filed March 1, 2018).</u>
<u>10.11</u>	<u>Amendment No.4 dated November 3, 2017 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 10-K filed March 1, 2018).</u>
<u>10.12</u>	<u>Amendment No.5 dated November 3, 2017 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.14 to the Company's Current Report on Form 10-K filed March 1, 2018).</u>
<u>10.13</u>	<u>Amendment No.6 dated February 21, 2018 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K filed March 1, 2018).</u>

<u>10.14</u>	<u>Amendment No.7 dated April 9, 2018 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 10-Q filed August 9, 2018).</u>
<u>10.15</u>	<u>Amendment No.8 dated November 27, 2018 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 3.4 to the Company's Current Report on Form 10-K dated March 1, 2019).</u>
<u>10.16</u>	<u>Amendment No.9 dated September 27, 2019 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 10-Q dated November 12, 2019).</u>
<u>10.17**</u>	<u>Stock Appreciation Right Award Agreement dated April 10, 2018 by and between Ebix, Inc. and Robin Raina (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 16, 2018).</u>
<u>10.18**</u>	<u>Amended Stock Appreciation Right Award Agreement dated May 7, 2019 by and between Ebix, Inc. and Robin Raina (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 10, 2019).</u>
<u>10.19</u>	<u>Share Purchase Agreement dated April 2, 2018 by and between Centrum Retail Services Ltd/ Centrum Capital Ltd and Ebix, Inc./Ebix Fincorp Exchange PTE Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed August 9, 2018).</u>
<u>10.20</u>	<u>Waiver, dated March 30, 2020, between the Company and Regions, to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 11, 2020).</u>
<u>10.21</u>	<u>Amendment No.10 dated May 7, 2020 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed August 7, 2020).</u>
<u>10.22</u>	<u>Amendment No.11 and Waiver dated March 31, 2021 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020).</u>
<u>10.23</u>	<u>Amendment No.12 and Waiver dated April 9, 2021 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 15, 2021).</u>
<u>10.24</u>	<u>Amendment No. 13 dated February 21, 2023 to the Credit Agreement dated as of August 5, 2014, entered into by and among Ebix, Inc., as Borrower, certain subsidiaries of the Company from time to time party thereto, as Guarantors, Regions Bank, as Administrative Agent and Collateral Agent, and the lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 22, 2023).</u>
<u>14.1</u>	<u>Ebix, Inc. Code of Ethics for Senior Financial Officers (incorporated by reference to Exhibit 14.1 to the Company's Registration Statement on Form S-1 dated November 4, 2008) and incorporated herein by reference.</u>
<u>21.1*</u>	<u>Subsidiaries of the Company.</u>
<u>23.2*</u>	<u>Consent of K G Somani & Co LLP</u>
<u>31.1*</u>	<u>Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).</u>
<u>31.2*</u>	<u>Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).</u>
<u>32.1*</u>	<u>Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>

[32.2*](#) [Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

101* XBRL (Extensible Business Reporting Language) - The following materials from Ebix, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2022, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements which were tagged as blocks of text.

* Filed herewith

** Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

EBIX, INC.
(Registrant)

By: /s/ ROBIN RAINA

Robin Raina

*Chairman of the Board, President and
Chief Executive Officer*

Principal Executive Officer

Date: March 15, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ ROBIN RAINA</u> (Robin Raina)	Chairman of the Board, President, and Chief Executive Officer (principal executive officer)	March 15, 2023
<u>/s/ STEVEN M. HAMIL</u> (Steven M. Hamil)	Chief Financial Officer (principal financial and accounting officer)	March 15, 2023
<u>/s/ HANS U. BENZ</u> (Hans U. Benz)	Director	March 15, 2023
<u>/s/ PAVAN BHALLA</u> (Pavan Bhalla)	Director	March 15, 2023
<u>/s/ NEIL D. ECKERT</u> (Neil D. Eckert)	Director	March 15, 2023
<u>/s/ ROLF HERTER</u> (Rolf Herter)	Director	March 15, 2023
<u>/s/ HANS UELI KELLER</u> (Hans Ueli Keller)	Director	March 15, 2023
<u>/s/ GEORGE W. HEBARD III</u> (George W. Hebard III)	Director	March 15, 2023
<u>/s/ PRIYANKA KAUL</u> (Priyanka Kaul)	Director	March 15, 2023

Schedule II**Ebix, Inc.****Schedule II—Valuation and Qualifying Accounts****Years ended December 31, 2022, December 31, 2021 and December 31, 2020**

Allowance for doubtful accounts receivable (in thousands):

	Year ended December 31,		
	2022	2021	2020
Beginning balance	\$ 19,874	\$ 22,691	21,696
Provision (benefit) for doubtful accounts	1,433	(2,334)	1,749
Write-off of accounts receivable against allowance	(3,140)	(483)	(754)
Other (opening balance adjustments on acquisitions)	—	—	—
Ending balance	<u>\$ 18,167</u>	<u>\$ 19,874</u>	<u>\$ 22,691</u>

Valuation allowance for deferred tax assets (in thousands):

	Year ended December 31,		
	2022	2021	2020
Beginning balance	\$ (999)	\$ (2,160)	\$ (3,288)
Decrease (increase)	—	1,161	1,128
Ending balance	<u>\$ (999)</u>	<u>\$ (999)</u>	<u>\$ (2,160)</u>