Risk Factors Comparison 2024-02-16 to 2023-02-17 Form: 10-K

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We or our representatives from time- to- time may make or may have made certain forward- looking statements, whether orally or in writing, including without limitation, any such statements made or to be made in MD & A contained in our various Securities and Exchange Commission (" SEC ") filings or orally in conferences or teleconferences. We wish to ensure that such statements are accompanied by meaningful cautionary statements, so as to ensure, to the fullest extent possible, the protections of the safe harbor established in the Private Securities Litigation Reform Act of 1995. We operate in rapidly changing and evolving markets throughout the world addressing the complex needs of industry leaders in the telecom, broadband, cable media, retail, healthcare, financial services, insurance, government **,** and other industries. As a result, new risk factors will likely emerge and currently identified risk factors will likely evolve in their scope. Further, as we enter new market sectors as well as new geographic markets, we could be subject to new regulatory requirements that increase the risk of non- compliance and the potential for economic harm to us and our customers. Accordingly, the risk factors and any forward- looking statements are qualified in their entirety by reference to **,** and are accompanied by **,** the following meaningful cautionary statements: • If any of the following risk factors ~~would~~ **should** occur, it could have a material adverse effect on our business, financial position, results of operations, and / or trading price of our common stock. • This list of risk factors is not exhaustive, and management cannot predict all of the relevant risk factors, nor can it assess the potential impact, if any, of such risk factors on our business or the extent to which any risk factor, or combination of risk factors, may create. • There can be no assurances that forward- looking statements will be accurate indicators of future actual results, and it is likely that actual results will differ from results projected in the forward- looking statements, and that such differences may be material. Risks Related to Our Business We Derive a Significant Portion of Our Revenue from a Limited Number of Customers, and the Loss of the Business of a Significant Customer Could Have a Material Adverse Effect on Our Financial Position and Results of Operations. Over the past decade, the global communications industry has experienced significant consolidation, resulting in a large percentage of the market being served by a limited number of CSPs, with greater size and scale, and there are possibilities of further consolidation. Consistent with this market concentration, we generate ~~over~~ **approximately** 40 % of our revenue from our two largest customers, ~~which are~~ Charter and Comcast, which each ~~individually~~ accounted for over 10 % or more of our total revenue. See the Significant Customer Relationships section of MD & A for a brief summary of our business relationship with these customers. There are inherent risks whenever a large percentage of total revenue is concentrated with a limited number of customers. Such risks include, but are not limited to, a significant customer: (i) undergoing a formalized process to evaluate alternative providers for solutions and services we provide; (ii) terminating or failing to renew their contracts with us, in whole or in part, for any reason; (iii) significantly reducing the number of customer accounts processed on our solutions, the price paid for our solutions and services, or the scope of solutions and services that we provide; or (iv) experiencing ~~significant~~ financial or operating difficulties **. Any such development could have a material adverse effect on our financial position and results of operations and / or the trading price of our common stock** . Our industry is highly competitive, and as a result, it is possible that a competitor could increase its footprint and share of customers serviced at our expense **,** or a customer could develop their own internal solutions. While our customers may incur costs in switching to our competitors or developing their own solutions, they may do so for a variety of reasons, including: (i) price; (ii) dissatisfaction with our solutions or service levels, including our ability to adequately protect their data; or (iii) dissatisfaction with our relationship. A Reduction in Demand for Our Revenue Management Platforms Could Have a Material Adverse Effect on Our Financial Position and Results of Operations. Historically, a substantial percentage of our total revenue has been generated from our SaaS platforms and related solutions. Our platforms and solutions are expected to continue to provide a large percentage of our total revenue in the foreseeable future. Any significant reduction in demand for these products could have a material adverse effect on our business. The Delivery of Our Solutions is Dependent on a Variety of Computing and Processing Environments and Communications Networks **, Including our Customer' s Systems and Networks,** Which May Not Be Available or May Be Subject to Security Attacks. Our solutions are generally delivered through a variety of sources including public and hybrid cloud, third- party data center and other service providers, and internally operated computing and processing environments (collectively referred to hereafter in this section as " Systems "). We and / or end users are connected to the Systems through a variety of public and private communications networks, which we will collectively refer to herein as " Networks ". Our solutions are generally considered to be mission critical customer management systems by our customers. As a result, our customers are highly dependent on the consistent availability and uncompromised security of the Networks and Systems to conduct their business operations. Networks and Systems are subject to the risk of an extended interruption, outage, or security breach due to many factors such as: (i) changes to the Systems and Networks for such things as scheduled maintenance and technology upgrades, or conversions to other technologies, service providers, or physical location of hardware; (ii) failures or lack of continuity of services from public cloud or third- party data center and other service providers; (iii) defects and / or critical security vulnerabilities in software program (s); (iv) human and machine error; (v) acts of war and / or nature; (vi) intentional, unauthorized attacks from computer " hackers ", or cyber- attacks; and (vii) using the Systems to perpetrate identity theft through unauthorized authentication to our customers' customers' accounts. Most recently, the global marketplace is experiencing an ever- increasing exposure to both the number and severity of cyber- attacks. In particular, ransomware attacks are becoming increasingly prevalent and can lead to significant reputational harm, loss of data, operational disruption, and significant monetary loss. Organized criminals, nation state threat actors, and motivated hacktivists have the possibility of impacting our Systems, Networks, data, and business operations **, as well as our customers' systems,**

networks, data, and business operations . ~~We~~ **Neither we, nor our customers,** may ~~not~~ be able or willing to respond to any such attacks due to policy, laws, **regulations,** or other ~~regulations~~ **reasons** . In addition, we continue to expand our use of third-party Systems and Networks with our solution offerings thereby permitting, for example, our customers' customers to use the Internet to review account balances, order services **,** or execute similar account management functions. Access to Networks and Systems via the Internet has the potential to increase their vulnerability to unauthorized access and corruption, as well as increasing the dependency of the Systems' reliability on the availability and performance of the Internet and end users' infrastructure they obtain through other third- party providers. The method, manner, cause **,** and timing of an extended interruption, outage, or security breach in third- party and / or the Networks or Systems are impossible to predict. As a result, there can be no assurances that these Networks and Systems will not fail or suffer a security breach or that the third- party and / or our business continuity or remediation plans will adequately mitigate the negative effects of a disruption or security breach to the Networks or Systems. Further, our property, technology errors and omissions, contractual relationship with third- party providers, and business interruption insurance may not adequately compensate us for losses that we incur as a result of such interruptions or security breaches. Should the Networks or Systems: (i) experience an extended interruption or outage; (ii) have their security breached; (iii) have their data lost, corrupted or otherwise compromised; and / or (iv) fail to meet contractual requirements related to our cybersecurity program, it would impede our ability to meet our delivery obligations, and likely have an immediate impact to the business operations of our customers. In addition, this would most likely result in damaging our reputation as well as our long- term ability to attract and retain new customers. The loss of confidential information could result in losing the customers' confidence, as well as claims for contractual breach, and imposition of penalties, fines, and / or damages. These risks will increase as our business continues to expand to include new solutions, technologies, verticals, and markets. **Additionally, any of the events described above could cause our customers to make claims against us for damages allegedly resulting from a security breach or service disruption.** These risks, individually or collectively, could result in an adverse material impact to our business. We May Not Be Able to Efficiently and Effectively Implement New Solutions or Migrate Customers and Merchants onto Our Solutions. Our continued growth plans include the implementation of new solutions, as well as migrating both new and existing customers and merchants to our solutions. Such implementations or migrations (collectively referred to hereafter in this section as " implementations "), regardless of whether they involve new solutions or new customers, have become increasingly more difficult because of the sophistication, complexity, interdependencies of the various software and network environments, and the impact to our customers' and merchants' underlying business processes. In addition, the complexity of the implementations increases when the arrangement includes other vendors participating in the project, including but not limited to, prime and subcontractor relationships with our company. For these reasons, implementations subject our customers and merchants to potential business disruption, which could cause them to delay or even cancel future implementations. As a result, there is a risk that we may experience cancellations, delays, or unexpected costs associated with implementations. In addition, our inability to complete implementations in an efficient and effective manner could damage our reputation in the global marketplace, adversely impacting our financial results and / or reducing our opportunity to grow our organic business with both new and existing customers and merchants. We May Not Be Successful in the Integration or Achievement of Financial Targets of Our Acquisitions. As part of our growth strategy, we seek to acquire assets, technology, access to new markets, human capital talent **,** and businesses which will provide the technology and personnel to expedite our solutions and services development efforts, provide complementary solutions, or provide access to new markets and customers. Acquisitions involve a number of risks and potential disruptions, including: (i) expansion into new markets and business ventures; (ii) the requirement to understand local business practices; (iii) the diversion of management' s attention to the integration of acquired operations and personnel; (iv) being bound by acquired customer or vendor contracts with unfavorable terms; and (v) potential adverse effects on a company' s operating results for various reasons, including, but not limited to, the following items: (a) the inability to achieve financial targets; (b) the inability to achieve certain integration expectations, operating goals, and synergies; (c) costs incurred to exit current or acquired contracts or restructuring activities; (d) costs incurred to service acquisition debt, if any; and (e) the amortization or impairment of acquired intangible assets. Due to the multiple risks and potential disruptions associated with any acquisition, there can be no assurance that we will be successful in achieving our expected strategic, operating, and financial goals for any such acquisition (s). We May Not Be Able to Respond to Rapid Technological Changes. The market for our solutions is characterized by rapid changes in technology and is highly competitive with respect to the need for timely innovations and new product and technology introductions. As a result, we believe that our future success in sustaining and growing our revenue depends upon: (i) our ability to continuously expand, adapt, modify, maintain, and operate our solutions to address the increasingly complex and evolving needs of our customers without sacrificing the reliability or quality of the solutions; (ii) the integration of acquired technologies and their widely distributed, complex worldwide operations; and (iii) creating and maintaining an integrated suite of products and technologies which are portable to new verticals. In addition, the market is demanding that our solutions have greater architectural flexibility and interoperability, and that we are able to meet the demands for technological advancements to our solutions at a greater pace. Our attempts to meet these demands subject our R & D efforts to greater risks. As a result, substantial and effective R & D and solution investment will be required to maintain the competitiveness of our solutions in the market. Technical problems may arise in developing, maintaining, integrating, and operating our solutions as the complexities continue to increase. Development projects can be lengthy and costly, and may be subject to changing requirements, programming difficulties, a shortage of qualified personnel, and / or unforeseen factors which can result in delays. In addition, we may be responsible for the implementation of new solutions and / or the conversion of customers to new solutions, and depending upon the specific solution, we may also be responsible for operations of the solution. There is an inherent risk in the successful development, implementation, migration, integration, and operation of our solutions as the technological complexities, and the pace at which we must deliver these solutions to market, continue to increase. The risk of making an error that causes significant operational disruption to a customer, or results in incorrect processing of customer or vendor data that we perform on behalf of our customers, increases proportionately with the frequency and complexity of changes to our solutions and new delivery models. There can be no assurance: (i) of continued market acceptance of our solutions; (ii) that we will be successful in the development of enhancements or new solutions that respond to technological advances or changing customer needs at the pace the market demands; or (iii) that we will be successful in supporting the implementation, conversion, integration, and / or operations of enhancements or new solutions. We **Are Incorporating Generative Artificial Intelligence into Certain of Our Solutions, Which is New and Developing, and May Result in Operational, Financial and Other Adverse Consequences to Our Business. We have been and expect to continue to use artificial intelligence (" AI ") in our solutions that support our business. This emerging technology is in its early stages of commercial use and presents a number of risks inherent in its use, including risks related to cybersecurity and data practices as well as intellectual property ownership. Additionally, AI algorithms are based on machine learning and predictive analytics, which can create accuracy issues and unintended biases. Further, our competitors or other third parties may incorporate AI into their business and solutions more rapidly or more successfully than us, which could hinder our ability to compete effectively and adversely affect our results of operations. Implementing the use of AI successfully, ethically, and as intended, will require significant resources, including having the technical complexity and expertise required to develop, test, and maintain our solutions. In addition, we expect that there will continue to be new laws or regulations implemented concerning the use of AI. It is possible that certain governments may seek to regulate, limit, or block the use of AI in our solutions or otherwise impose other restrictions that may hinder the usability or effectiveness of our solutions. Any failure to successfully or ethically implement the use of AI, or its incorporation into our products, could cause reputational harm to our business and could result in an adverse material impact to our business. We** May Incur Material Restructuring or Reorganization Charges in the Future. In the past, we have recorded restructuring and reorganization charges related to involuntary employee terminations, various facility abandonments, and various other restructuring and reorganization activities. We continually evaluate ways to reduce our operating expenses through restructuring plans, including more effective utilization of our assets, workforce, and operating facilities. As a result, there is a risk, which is increased during economic downturns and with expanded global operations, that we may incur material restructuring or reorganization charges in the future. We Rely on A Limited Number of Third- Party Vendor Relationships to Execute Our Business Which Exposes Us to Supply Chain Disruptions, Cost Increases, and Cyberattacks. We rely on third- party providers for software, distributed computing infrastructure environments (or commonly referred to as " cloud " computing services), processing, and other suppliers to deliver our solutions to our customers. Our ability to deliver according to our contractual commitments and market demands depends significantly on being able to obtain the necessary licenses, components, computing capacity, and other vital services and supplies as needed and on competitive terms. Our growth and ability to meet customer demands depend in part on our ability to obtain timely deliveries from our suppliers and partners. In addition, if a third party were to experience a material breach of their information technology systems which results in the unauthorized access, theft, use, destruction, or unauthorized disclosures of customers' or employees' data or confidential information of the Company stored in such systems, including through cyberattacks or other external or internal methods, it could result in a material loss of revenue from the potential adverse impact to our reputation, our ability to retain or attract new customers, potential disruption or loss of services from the vendor and disruption to our business. Such a breach could also result in contractual claims, and it could lead to our being named as a party in litigation brought by or on behalf of impacted individuals. Although we strive to avoid single- source supplier solutions, this is not always possible. Failure by any of our third- party vendors could interrupt our operations and the delivery of our solutions, and / or substantially increase our costs. Additionally, if these third- party vendors would decide to significantly increase our costs, due to inflationary pressures or otherwise, it could have an adverse financial impact to our business as we may have limited third- party options and the ability to shift to a competing solution, or redesign our solutions would take considerable time, effort, and money. Our Global Operations Subject Us to Additional Risks. We currently conduct a portion of our business outside the U. S. We are subject to certain risks associated with operating globally including the following items: • Our solutions may not meet local or legal requirements; • Fluctuations and unexpected changes in foreign currency exchange rates that may be due to inflation ~~and~~ **,** interest rate spreads **, and geopolitical events** ; • Staffing and managing of our global operations at a reasonable cost; • Longer sales cycles for new contracts; • Longer collection cycles for customer billings or accounts receivable, as well as heightened customer collection risks, especially in countries with high inflation rates and / or restrictions on the movement of cash **or certain currencies** out of the country; • Trade barriers; • Governmental and economic sanctions; • Complying with varied legal and regulatory requirements across jurisdictions; • Growing requirements related to human rights and occupational safety and health; • Reduced protection for intellectual property rights in some countries; • Inability to recover value added taxes and / or goods and services taxes in foreign jurisdictions; • Political and financial instability and threats of terrorism and / or war; • A potential adverse impact to our overall effective income tax rate resulting from, among other things: oOperations in foreign countries with higher tax rates than the U. S.; oThe inability to utilize certain foreign tax credits; and oThe inability to utilize some or all of losses generated in one or more foreign countries. One or any combination of these or other risks could have an adverse impact on our operations and business. Failure to Deal Effectively with Fraud, Fictitious Transactions, Bad Transactions, and Negative Experiences Could Increase Our Loss Rate and Harm Our Payments Business, and Could Severely Diminish Merchant and Consumer Confidence in and Use of Our Services. In the event that merchants do not fulfill their obligations to consumers, or a consumer disputes a transaction for various reasons, we may incur losses as a result of chargebacks and / or claims from consumers. We would seek to recover such losses from the merchant; however, we may not be able to recover the amounts in full if the merchant is unwilling or unable to pay or the deposit does not cover the damages. While we have established financial reserves based on assumptions and estimates that we believe are reasonable to cover such eventualities, these reserves for individual merchants may be insufficient. We may also incur losses from claims that the consumer did not authorize the purchase, from consumer fraud, from erroneous transactions, and as a result of consumers who have closed bank accounts or have insufficient funds in their bank accounts to satisfy payments. In addition, if losses incurred by us related to payment card transactions become excessive, we could lose the ability to process credit card transactions, which would significantly impact our payments business. We have taken measures to detect and reduce the risk of fraud, including underwriting and risk management procedures and processes. These measures need to be continually updated to address emerging means of perpetrating fraud or to accommodate new solution offerings, but the increase in costs could adversely impact our business. Our Use of Open Source Software May Subject Us to Certain Intellectual Property- Related Claims or Require Us to Re- Engineer Our Software, Which Could Harm Our Business. We use open source software in connection with our solutions, processes, and technology. Companies that use or incorporate open source software into their solutions have, from time to time, faced claims challenging their use, ownership and / or licensing rights associated with that open source software. As a result, we could be subject to suits by parties claiming certain rights to what we believe to be open source software. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code in their software and make any derivative works of the open source code available on unfavorable terms or at no cost. In addition to risks related to license requirements, use of open source software can lead to greater risks than use of third- party commercial software, as open source licensors generally do not provide warranties, support, or controls with respect to origin of the software. Use of open source software also complicates compliance with export- related laws. While we take measures to protect our use of open source software in our solutions, and comply with applicable laws, open source license terms may be ambiguous, and many of the risks associated with usage of open source software cannot be eliminated. If we were found to have inappropriately used open source software, we may be required to release our proprietary source code, re-engineer our software, discontinue the sale of certain solutions in the event re- engineering cannot be accomplished on a timely basis, or take other remedial action that may divert resources away from our development efforts. Failure to Protect Our Intellectual Property Rights or Claims by Others That We Infringe Their Intellectual Property Rights Could Substantially Harm Our Business, Financial Position and Results of Operations. We rely on a combination of trade secret, copyright, trademark, and patent laws in the U. S. and similar laws in other countries, and non- disclosure, confidentiality, and other types of contractual arrangements to establish, maintain, and enforce our intellectual property rights in our solutions. Despite these **protective** measures, any of our intellectual property rights could be challenged, invalidated, circumvented, or misappropriated. Further, our contractual arrangements may not effectively prevent disclosure of our confidential information or provide an adequate remedy in the event of unauthorized disclosure of our confidential information. Others may independently discover trade secrets and proprietary information, which may complicate our assertion of trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. In addition, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the U. S. Therefore, in certain jurisdictions, we may be unable to protect our proprietary technology adequately against unauthorized third party copying or use, which could adversely affect our competitive position. Although we hold a limited number of patents and patent applications on some of our solutions, we do not rely upon patents as a primary means of protecting our rights in our intellectual property. In any event, there can be no assurance that our patent applications will be approved, any issued patents will adequately protect our intellectual property, or such patents will not be challenged by third parties. Also, much of our business and many of our solutions rely on key technologies developed or licensed by third parties, and we may not be able to obtain or continue to obtain licenses and technologies from these third parties at all or on reasonable terms. Finally, third parties may claim that we, our customers, licensees **,** or other parties indemnified by us **,** are infringing upon their intellectual property rights. Even if we believe that such claims are without merit, they can be time consuming and costly to defend and ~~distract~~ **can divert** management and technical staff attention and resources. Claims of intellectual property infringement also might require us to redesign affected solutions, enter into costly settlement or license agreements or pay material damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling certain of our solutions. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not license the infringed technology on reasonable pricing terms or at all, or substitute similar technology from another source, our business could be adversely impacted. Our failure to adequately establish, maintain, and protect our intellectual property rights could have a material adverse effect on our business. Our Alliances with Strategic Partners Could Put Our Business at Risk if the Partner Does Not Perform as Expected. We rely on long- term strategic partnerships and alliances with leading industry participants to develop new technologies, deliver large customer implementations and products, and execute strategic growth. If our strategic partners encounter financial or other business difficulties, if their strategic objectives change, or if they no longer perceive us to be an attractive alliance partner, they may no longer desire or be able to participate in our partnerships and alliances. Our business could be hurt if we are unable to continue one or more of our alliances. We participate in large projects where various other companies provide services and products that are integrated into systems to meet customer requirements. If any of the services or products that any other company provides have any defects or problems causing the integrated systems to malfunction or otherwise fail to meet customer requirements, our reputation and business could be harmed. Risks Related to Our Industry Our Business is Highly Dependent on the Global Communications Industry. Since a large percentage of our revenue is generated from customers that operate within the global communications industry, we are highly dependent on the health and the business trends occurring within this industry (in particular for our North American cable and satellite customers). Key factors within this industry that could potentially impact our customers' businesses, and thus, our business, are as follows: • Key Market Conditions: The global communications industry has undergone significant fluctuations in growth rates and capital investment cycles in the past decade. In addition, changes in demand **or customer preferences** for traditional services for CSPs are causing them to seek new revenue sources, while also managing their cost structure and quality of service delivery during their business transformation. The result is that many CSPs are delaying investment decisions on legacy systems, directing investment towards internal development and engineering efforts and making investments in new solutions to drive their business forward into new areas. However, cost pressures and / or our ability to develop solutions to meet their future needs may begin to cause a decline in new revenue opportunities and adversely impact our business. • Market Consolidation: The pace of consolidation within the industry continues to accelerate as CSPs look to increase the scale of their operations and footprint within the entire digital communications ecosystem. Potential byproducts of this consolidation that could impact us are as follows: (i) there could be fewer providers in the market, each with potentially greater bargaining power and economic leverage due to their larger size, which may result in our having to lower our prices to remain competitive, retain our market share, or comply with the surviving customer' s current more favorable contract terms; and (ii) the controlling entity in a consolidation that is not our current customer, may acquire one of our existing customers and choose to consolidate both entities onto the controlling entity' s customer management platform, thus reducing and possibly eliminating our business with our existing customer. Also, as consolidated entities execute on their revenue and operational synergies, there is generally a slowdown in decision- making on discretionary spending and / or on new business initiatives which could adversely impact our quarterly and annual financial results. • Competition: Our customers operate in a highly competitive environment. Our competitors include companies who deliver on- premise bespoke custom offerings (i. e., Amdocs Limited, NEC Netcracker), software solutions (i. e., Salesforce, Adobe, Pegasystems, Twilio), internally developed enterprise applications, network operators (i. e., Ericsson, Huawei), large outsourced transactional communications companies (i. e., Intrado, Fiserv), systems integrators (i. e., Accenture, Tech Mahindra) and large payments processors (i. e., FIS and Fiserv) and payments specialists (i. e., Stripe and Nuvei / Paya). Should these competitors be successful in their strategies, it could threaten our customers' market share, pricing power, and level of services delivered. These threats could negatively impact our customers' revenue, putting pressure on our source of revenue, as generally speaking, these companies do not use our core solutions and there can be no assurance that new entrants will become our customers. In addition, demand for spectrum, network bandwidth and content continue to increase and any changes in the regulatory environment could have a significant impact to not only our customers' businesses, but in our ability to help our customers be successful. The above industry factors are impacting our customers' businesses, and thus could cause delays, cancellations / loss of business, and / or downward pricing pressure on our sales and services. This could cause us to either fall short of revenue expectations or have a cost model that is misaligned with revenue. We Face Significant Competition in Our Industry. The market for our solutions is highly competitive. We directly compete with both independent providers and in- house solutions developed by existing and potential customers. In addition, some independent providers are entering into strategic alliances with other independent providers, resulting in either new competitors, or competitors with greater resources. Many of our current and potential competitors have significantly greater financial, marketing, technical, and other competitive resources than our Company, many with significant and well- established domestic and international operations. There can be no assurance that we will be able to compete successfully with our existing competitors or with new competitors. Risks Related to Laws and Regulations The Occurrence or Perception of a Security Breach or Disclosure of Confidential Personally Identifiable Information Could Harm Our Business. In providing solutions to our customers, we transmit, use, store and otherwise process, confidential and personally identifiable information (" PII ") including health, financial, and other personal information. Our treatment of such information is subject to contractual restrictions and federal, state, and foreign data privacy laws and regulations, which continue to evolve resulting in greater scrutiny and regulation over the protection of PII. In response to these evolving restrictions and regulations (which include, without limitation, the Health Insurance Portability and Accountability Act (" HIPAA "), the Health Information Technology for Economic and Clinical Health Act (" HITECH "), the California Consumer Privacy Act (" CCPA "), the Gramm- Leach- Bliley Act (" GLBA "), and other U. S. federal and state ~~financial~~ privacy laws and regulations, the European Union' s General Data Protection Regulation (" **EU GDPR "), the United Kingdom' s GDPR (" UK** GDPR "), the South Africa Protection of Personal Information Act (" POPIA ") and the Brazilian General Data Protection Low (" LGPD ")), we have implemented and maintain administrative, technical, and physical security measures and it is our standard practice to contractually require our service providers to whom we disclose data (including PII) to implement and maintain reasonable privacy, data protection, and information security measures, in each case to protect against loss, theft, misuse, or unauthorized access to or disclosure of such information, and otherwise comply with these laws and regulations. These measures include standard industry practices (e. g., payment card industry (" PCI ") requirements **, ISO / IEC 27001**), periodic security reviews of our systems by independent parties, secure development practices, network firewalls, policy directives, procedural controls, training of our personnel, intrusion detection systems, and antivirus applications. However, due to the inherent risks and complexities of defending against cybercrime and other information security incidents, these measures may fail to adequately protect this information. Any failure on our part to protect the security and privacy of PII and other confidential information, or otherwise comply with data privacy laws and regulations may subject us to contractual liability and damages, loss of business, damages from individual claimants (including class action litigation), substantial fines / penalties, criminal prosecution, and unfavorable publicity. Even the mere perception of a security breach or inadvertent disclosure of PII could damage our reputation and inhibit market acceptance of our solutions. In addition, third- party vendors that we engage to perform services for us may unintentionally release PII or otherwise fail to comply with applicable laws and regulations. Under our terms of service and our contracts with customers, if there is a breach of PII that we process, we could be liable to the customer for their losses and related expenses. As new laws and regulations emerge and evolve and as our business continues to expand to include new products and technologies, these risks will likely continue to increase, and our compliance costs are likely to increase ~~substantially~~ as well. Bad actors, individual and State sponsored, will increasingly attempt to compromise our security controls or gain unauthorized access to our, and our customers', sensitive information and PII. Further, because a significant number of our employees work remotely, these security risks may increase. We have implemented heightened monitoring of our Networks and Systems, but cannot guarantee that our efforts, or those of third parties on whom we rely **on** or with whom we partner, will be successful in preventing any such information security incidents or attacks. We May Be Subject to Enforcement Actions or Financial Penalties with Payments Regulation in the U. S. Many states in which we operate have laws that govern payments activities and have implemented various definitions and licensing requirements for entities deemed to be money transmitters, including licensure. We have applied for ~~and been issued~~ money transmitter licenses in **all** ~~a majority of~~ states ~~, and~~ **where the state regulates** for **money transmission and where we do business. We have been issued licenses in all but three of** those states **, and in those three states** where ~~we have applied and not yet received licensure~~ -- **licenses are pending** , we could be subject to enforcement actions and financial penalties and other costs. An enforcement action could result in restrictions on, or a prohibition on engaging in, the business of money transmission in one or more states and it could delay or prevent us from obtaining a money transmitter license in one or more states. Enforcement actions could also result in reputational harm to our business and force us to cease or limit certain aspects of our business or prevent us from growing our business. Further, laws governing payments activities may evolve and changes in such law could affect our ability to provide our solutions or services in the same form and on the same terms as we have historically, or at all. There are substantial costs and potential solution changes involved in maintaining such licenses, and we could be subject to fines or other enforcement action if we are found to have violated applicable federal, state, and local laws and regulations, including those related to licensing and supervision, anti- money laundering, the Bank Secrecy Act, financial privacy, and cybersecurity and data security. These factors could impose substantial additional costs and involve considerable delay to the development or provision of our solutions or services, or could require significant and costly operational changes or prevent us from providing our solutions or services in a given market. **In addition, as we continue to provide new services,** ~~These~~ **these** limitations may adversely affect our ability to grow our business. We may also be subject to card association and network rules and requirements, and violations of such rules and requirements could result in fines or the inability to use third- party networks to conduct our business. We Are Subject to Various Anti- Money Laundering and Counter- Terrorist Financing Laws and Regulations. We are subject to various anti- money laundering (“ AML ”) and counter- terrorist financing laws and regulations that prohibit, among other things, our involvement in processing the proceeds of criminal activities. We maintain AML Compliance Policies and Procedures applicable to our payments processing business which policies are intended to comply with any applicable U. S. federal and foreign requirements. The laws or their application, our interpretation of the laws, and / or our services may change so that we could be subject to additional regulation and incur additional costs of compliance. We may not be able to meet additional regulatory requirements or the cost of adhering to such requirements could be substantial or could severely impact our ability to continue to maintain and / or grow our payments processing business or retain merchants or partners. The regulations of other countries and / or any increased compliance costs associated with such regulations ~~,~~ could prevent us from entering new markets for our services. Our Global Operations Require Us to Comply ~~With~~ **with** Applicable U. S. and International Laws and Regulations. Doing business on a global basis requires our Company and our subsidiaries to comply with the laws and the regulations of the U. S. government and various international jurisdictions. In addition, the number of countries enacting anti- corruption laws and related enforcement activities is increasing. These regulations place restrictions on our operations, trade practices and trade partners, as such we may face increasing compliance and legal costs in operating our trade compliance program. In particular, our global operations are subject to U. S. and foreign anti- corruption laws and regulations such as the Foreign Corrupt Practices Act (“ FCPA ”), the U. K. Anti- Bribery Act and economic sanction programs administered by the Office of Foreign Assets Control (“ OFAC ”). The FCPA prohibits us from providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business. In addition, the FCPA imposes accounting standards and requirements on publicly traded U. S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments, and to prevent the establishment of “ off books ” slush funds from which such improper payment can be made. As part of our business, we regularly deal with state- owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. In addition, some of the international locations in which we operate lack a developed legal system and have higher than normal levels of corruption. We ~~inform~~ **require compliance from** our personnel and third- party sales representatives ~~of~~ **with** the requirements of the FCPA and other anti- corruption laws, including, but not limited to their reporting requirements. We have also developed and will continue to develop and implement systems for formalizing contracting processes, performing due diligence on agents and partners while improving our recordkeeping and auditing practices regarding these regulations. However, there is no guarantee that our employees, third- party sales representatives **,** or other agents have not or will not engage in conduct undetected by our processes and for which we might be held responsible under the FCPA or other anti- corruption laws. Economic sanctions programs restrict our business dealings with certain countries and individuals. As a global provider, we are exposed to a heightened risk of violating OFAC regulations. Violations of these laws and regulations are punishable by civil penalties, including fines, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licenses, as well as criminal fines and imprisonment. While we actively screen and monitor the global companies and individuals that we do business with, utilizing a risk- based approach, there is no guarantee that we have not or will not, through the lack of accurate information, changing customer business structures, process failure, oversight, or error, have violations occur. General Risks Our Business May ~~be~~ **Be** Disrupted and Our Results of Operations and Cash Flows May be Adversely Affected by a Global Pandemic. The significance of the impact of a global pandemic on our operations depends on numerous evolving factors that we may not be able to accurately predict or effectively respond to, including, among others: • the effect on global economic activity and the resulting impact on our customer' s businesses, their credit and liquidity, and their demand for our solutions and services, as well as their ability to pay; • our ability to deliver and implement our solutions in a timely manner, including as a result of supply chain disruptions and related cost increases; and • actions taken by U. S., foreign, state, and local governments, suppliers, and individuals in response to the outbreak. While we have significant sources of cash and liquidity and access to a committed credit line, a prolonged period of generating lower cash from operations could adversely affect our financial condition and the achievement of our strategic objectives. **Our Business Is Exposed to Global Market and Economic Conditions. Our business is exposed to global market and economic conditions. Downturns in these conditions may result in rising inflation rates and interest rates, slower or deferred customer buying decisions, and pricing pressures that may adversely affect our ability to generate profitable revenue and sustain revenue growth. Macroeconomic conditions, including geopolitical events, or other global or regional events such as pandemics, and foreign exchange rate fluctuations, can impact our customers' businesses and their willingness to make investments in technology, which in turn may delay or reduce the purchases of our solutions, as well as their ability to pay amounts due. Additionally, market disruptions may limit our ability to access financing or increase our cost of financing to meet liquidity needs. The combination of these factors could negatively impact our business, operating results, and financial condition as we could experience a reduction in demand for our solutions and increased pressure on our profit margins.** Failure to Attract and Retain Our Key Management and Other Highly Skilled Personnel Could Have a Material Adverse Effect on Our Business. Our future success depends in large part on the continued service of our key management, sales, product development, professional services, and operational personnel. We believe that our future success also depends on our ability to attract and retain a diverse, highly skilled technical, managerial, operational, and sales and marketing personnel, including, in particular, personnel in the areas of R & D, professional services, and technical support. Competition for qualified personnel at times can be intense, particularly in the areas of R & D, conversions, software implementations, and technical support **,** which could lead to increased costs to attract and / or retain personnel. This risk is heightened with a widely dispersed customer base and employee populations, and potential inflationary pressures on wages. For these reasons, we may not be successful in attracting and retaining the personnel we require, which could have a material adverse effect on our ability to meet our commitments and new solution delivery objectives. Variability of Our Quarterly Revenue and Our Failure to Meet Revenue and Earnings Expectations Would Negatively Affect the Market Price of Our Common Stock. From time to time, we may experience variability in quarterly revenue and operating results. Common causes of failure to meet revenue and operating profit expectations include, among others: • Inability to close and / or recognize revenue on certain transactions in the period originally anticipated; • Inability to accurately forecast payments transaction volumes and related transaction costs; • Delays in renewal of multiple or individually significant agreements; • Inability to renew existing customer or vendor arrangements at anticipated rates; • Delays in timing of initiation and / or implementation of significant projects or arrangements; • Inability to meet customer expectations materially within our cost estimates; • Changes in spending and investment levels; • Inflationary pressures; • Significant increase in our cost of borrowing; • Foreign currency fluctuations; and • Economic and political conditions. Should we fail to meet our revenue and earnings expectations of the investment community, by even a relatively small amount, it could have a disproportionately negative impact upon the market price of our common stock. **Changes in Tax Laws and Regulations Could Adversely Affect Our Results of Operations and Financial Position. Our operations are subject to tax by federal, state, local, and international taxing jurisdictions. Tax laws are subject to change as new laws are passed and new interpretations of the law are issued or applied. Such changes may be effective on a prospective or retrospective basis and may have a significant impact on our effective tax rate and / or the amount of taxes we pay. In addition, tax laws and regulations are extremely complex and subject to varying interpretations and examination. There can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge.** Substantial Impairment of Long- lived Assets in the Future May Be Possible. As a result of various acquisitions and the growth of our Company over the last several years, as of December 31, ~~2022~~ **2023** , we have approximately $ ~~244~~ **204** million of long- lived assets other than goodwill (principally, property and equipment, operating lease right- of- use assets, software, acquired customer contracts, and customer contract costs) and approximately $ ~~304~~ **309** million of goodwill. Long- lived assets are required to be evaluated for possible impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. We utilize our market capitalization, third party valuation and / or cash flow models as the primary basis to estimate the fair value amounts used in our long- lived asset impairment valuations. If an impairment was to be recorded in the future, it could materially impact our results of operations in the period such impairment is recognized, but such an impairment charge would be a non- cash expense, and therefore would have no impact on our current or future cash flows.