Risk Factors Comparison 2024-02-27 to 2023-02-24 Form: 10-K

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Our operations and financial results are subject to various risks and uncertainties including those described below. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Annual Report on Form 10- K, including our consolidated financial statements and related notes, as well as our other public filings with the Securities and Exchange Commission. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks or others not specified below materialize, our business, financial condition and results of operations could be materially adversely affected. In that case, the trading price of our common stock could decline. Summary of Risk Factors Investing in our common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as fully described below. The following is a summary of the principal factors and uncertainties that make investing in our common stock risky. The following is a summary only and should be read in conjunction with Part I, Item 1A " Risk Factors " and the other information contained in this Annual Report on Form 10- K. **Risks Related to Our Proposed Merger with Thoma Bravo • The announcement and pendency of our agreement to be acquired by affiliates of Thoma Bravo may have an adverse effect on our business and results of operations and our failure to complete the Merger could have an adverse effect on our business, financial condition, results of operations and stock price. • While the Merger is pending, we are subject to business uncertainties and contractual restrictions that could harm our business relationships, financial condition, results of operations, and business. • Litigation regarding the Merger may arise, which could be costly, prevent consummation of the Merger, divert management' s attention and otherwise harm our business. • The Merger Agreement contains provisions that could discourage a potential competing acquiror from making a favorable alternative transaction proposal and, in specified circumstances, could require us to pay substantial termination fees to Thoma Bravo. Risks Related to Our Business and Industry** • If our business does not grow as we expect, or if we fail to manage our growth effectively, our operating results and business prospects would suffer. • We have not been profitable on a consistent basis historically and may not achieve or maintain profitability in the future. • If we are unable to renew or increase sales of our Mass Notification application, or if we are unable to increase sales of our other applications or add new applications, our business and operating results could be adversely affected. • ~~Uncertain or weakened global economic conditions may adversely affect our industry, business and results of operations. •~~ We operate in an emerging, evolving, and competitive market, and if we cannot expand our platform and applications to meet the demands of this market or effectively compete against competitors, our revenue may decline and we may incur operating losses. • Our quarterly operating results may vary from period to period, which could result in our failure to meet expectations with respect to operating results and cause the trading price of our stock to decline. • Our failure to effectively complete and integrate acquired technologies, assets or businesses may harm our financial results **. • We have identified a material weakness in our internal control over financial reporting** . • Because our long- term growth strategy involves further expansion of our sales to customers outside the United States, our business will be susceptible to risks associated with international operations. • Implementation of our 2022 Strategic Realignment or simplification strategies may not be successful, which could affect our ability to increase our revenues or could reduce our profitability. **Risks Related to Cybersecurity and Reliability** • The nature of our business, involving public safety threats and critical business events, exposes us to inherent liability risks. • Compromise or unauthorized access to our data or the data of our customers or their employees could harm our business and our customers, cause customers to curtail or cease their use of our applications, damage our reputation, and cause us to incur significant liabilities. • Interruptions or delays in service from our third- party data center providers could impair our ability to make our platform and applications available to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers, limited growth, and reduction in revenue. **Risks Related to Data Privacy and Government Regulation** • We are subject to governmental laws and regulations, particularly related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could harm our business. • Compliance with governmental laws and regulations could impair our efforts to maintain and expand our customer base, and thereby decrease our revenue. • If our applications fail to function in a manner that allows our customers to operate in compliance with regulations and / or industry standards, our revenue and operating results could be harmed. **Risks Related to Our Intellectual Property** • If we fail to protect our intellectual property and proprietary rights adequately, our business could be harmed. • An assertion by a third party that we are infringing its intellectual property could subject us to costly and time- consuming litigation or expensive licenses that could harm our business and results of operations. • The use of open source software in our platform and applications may expose us to additional risks and harm our intellectual property. **Risks Related to Ownership of Our Common Stock** • Our stock price may be volatile and you may lose some or all of your investment. • We may fail to meet our publicly announced guidance or other expectations about our business and future operating results, which would cause our stock price to decline. • ~~Conversion~~ **Conversions** of the ~~$ 375 million aggregate principal amount of 0 % convertible senior notes due March 15, 2026 (the "~~ 2026 Notes ~~")~~ and the 2024 Notes may dilute the ownership interest of existing stockholders **to** ~~, including holders who had previously converted their~~ -- **the extent** ~~Notes, if~~ we **elect** ~~are unable~~ to **satisfy** ~~generate sufficient cash to repay or~~ **our** ~~fail to refinance the debt~~ **conversion obligation by delivering shares of our common stock** . It may also otherwise depress the price of our common stock. • We are obligated to maintain a system of effective internal control over financial reporting and any failure to maintain the adequacy of these internal controls may harm investor confidence in our company and, as a result, the value of our common stock. • Antitakeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock. • Activist investor actions threatened or commenced against us could cause us to incur substantial costs, divert management' s attention and resources, cause uncertainty about the strategic direction of our business and adversely affect our business, financial position and results of operations. **Risks Related to Our Indebtedness** • We issued convertible notes that have rights senior to our common stock. • Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt. • The conditional conversion feature of the 2026 Notes and 2024 Notes, may adversely affect our financial condition and operating results. • Legislative actions and new accounting pronouncements are likely to impact our future financial position or results of operations. **Risks Related to Taxation and General Risks** • We may have additional tax liabilities from sales taxes, inability to use net operating losses **(" NOLs ")**, or changes in regulations, any or all of which could change our effective tax rate or tax liability and have an adverse effect on our results of operations. • We face exposure to foreign currency exchange rate fluctuations. ~~Risks Related to Our Business and Our~~ **• Uncertain or weakened global economic conditions may adversely affect our** ~~Industry~~ **industry , business and results of operations. On February 4, 2024, we entered into the Merger Agreement with Parent and Merger Sub. Completion of the Merger remains subject to customary closing conditions, including (1) the adoption of the Merger Agreement by the holders of a majority of the voting power of the outstanding shares of common stock of the Company, (2) the expiration or early termination of the applicable waiting period under the HSR Act and the receipt of other specified regulatory approvals and (3) the absence of an order or law preventing the Merger.** In ~~2022~~ **addition** , ~~we made~~ **the obligation of each party to consummate the Merger is conditioned upon, among other things, the accuracy of the representations and warranties of the other party (subject to certain materiality exceptions), and material compliance by the other party with its covenants under the Merger Agreement. The Merger may be delayed, and may ultimately not be completed, due to** a **number of factors, including: • the failure to obtain the expiration or termination of the waiting period applicable to the Merger pursuant to the HSR Act, or any other regulatory approval, clearance or condition that may become applicable to the Merger, before the Termination Date or at all; • potential future stockholder litigation and other legal and regulatory proceedings, including litigation by the Department of Justice seeking to block the completion of the Merger, which could prevent, materially restrain, or materially impair the consummation of the Merger; • the failure of any remaining closing condition to be satisfied before the Termination Date, after which time either Everbridge or Parent may be entitled to terminate the Merger Agreement; and • the failure to satisfy any other conditions to the completion of the Merger, including the possibility that a Company material adverse effect would permit Parent not to close the Merger. If the Merger does not close, we may suffer other consequences that could adversely affect our business, financial condition, results of operations, and stock price, and our stockholders would be exposed to additional risks, including: • to the extent that the current market price of our stock reflects an assumption that the Merger will be completed, the market price of our common stock could decrease if the Merger is not completed; • investor confidence in us could decline, stockholder litigation could be brought against us, relationships with existing and prospective customers, service providers, investors, lenders and other business partners may be adversely impacted, we may be unable to retain key personnel, and our operating results may be adversely impacted due to costs incurred in connection with the Merger; • any disruptions to our business resulting from the announcement and pendency of the Merger, including adverse changes in our relationships with customers, suppliers, partners and employees, may continue or intensify in the event the Merger is not consummated or is significantly delayed; • the risks related to the diversion of attention of Everbridge management or employees during the pendency of the Merger; and • the requirement that we pay Parent a termination fee under certain circumstances that give rise to the termination of the Merger Agreement. There can be no assurance that our business, relationships with other parties, liquidity or financial condition will not be adversely affected, as compared to the condition prior to the announcement of the Merger, if the Merger is not consummated. Even if successfully completed, there are certain risks to our stockholders from the Merger, including: • we may experience a departure of employees prior to the closing of the Merger; • the amount of cash to be paid under the Merger Agreement is fixed and will not be adjusted for changes in our business, assets, liabilities, prospects, outlook, financial condition or operations; • any change in the market price of, analyst estimates of, or projections relating to, our common stock; • receipt of the all- cash per share merger consideration under the Merger Agreement is taxable to stockholders that are treated as U. S. holders for U. S. federal income tax purposes; and • if the Merger is completed, our stockholders will forego the opportunity to realize the potential long- term value of the successful execution of our current strategy as an independent company. During the period prior to the closing of the Merger and pursuant to the terms of the Merger Agreement, our business is exposed to certain inherent risks and contractual restrictions that could harm our business relationships, financial condition, results of operations, and business, including: • potential uncertainty in the marketplace, which could lead current and prospective customers to purchase products from other providers or delay purchasing from us; • difficulties maintaining existing and / or establishing business relationships, including business relationships with** significant ~~investment in~~ **customers, suppliers and partners; • the possibility of disruption to our business and operations resulting from the announcement and pendency of the Merger, including diversion of management attention and resources; • the inability to attract and retain key personnel and recruit prospective employees, and the possibility that our current employees could be distracted, and their productivity decline as a result, due to uncertainty regarding the Merger; • the inability to pursue alternative business opportunities** ~~our~~ - **or** ~~sales organization~~ **make changes to our business pending the completion of the Merger, and other restrictions on our ability to conduct our business; • our inability to freely issue securities, incur certain indebtedness, declare or authorize any dividend or distribution, or make certain material capital expenditures without Parent' s approval; • the amount of the**

costs, fees, expenses and charges related to the Merger Agreement and the Merger, including but not limited to the cost of professional services, insurance and any legal proceeding that may be instituted against us, which may materially and adversely affect our financial condition; and • other developments beyond our control, including, but not limited to, changes in domestic or global economic conditions that may affect the timing or success of the Merger. If any of these effects were to occur, it could adversely impact our business, cash flow, results of operations or financial condition, as well as the market price of our common stock and our perceived value, regardless of whether the Merger is completed. The Merger Agreement contains provisions that could discourage a potential competing acquirer from making a favorable alternative transaction proposal and, in specified circumstances, could require us to pay substantial termination fees to Thoma Bravo. Beginning as of the date of the Merger Agreement and continuing until 11: 59 p. m. Eastern Time on February 29, 2024 (the " Go- Shop Period "), Everbridge has the right to, among other things, (1) solicit alternative acquisition proposals from any third party that has contacted or had material discussions with the Company or its financial advisor regarding a potential acquisition proposal within the six month period prior to the date of the Merger Agreement (each, a " Specified Party "), (2) provide information (including nonpublic information) to any Specified Party in connection therewith pursuant to ~~and~~ **an acceptable confidentiality agreement, and (3) initiate or continue discussions with any Specified Party in connection therewith. Following the date of the Merger Agreement (or, solely with respect to any Specified Parties, following the Go- Shop Period), Everbridge agreed to be subject to customary restrictions on its ability (and the ability of its subsidiaries and representatives) to (1) solicit, initiate, propose or induce the making or knowingly encourage, facilitate or assist alternative acquisition proposals from third parties, (2) subject to certain exceptions, provide nonpublic information relating to Everbridge or any of its subsidiaries to third parties regarding alternative acquisition proposals or (3) engage in discussions or negotiations with, third parties regarding alternative acquisition proposals. In addition, Everbridge has agreed that, subject to certain exceptions, the Board will not withdraw its recommendation that the stockholders of the Company vote to adopt the Merger Agreement and approve the Merger. Unless the Merger Agreement is terminated in accordance with its terms, we are required to hold a meeting of our stockholders to vote on the adoption of the Merger Agreement. In addition, if we terminate the Merger Agreement, we may be required to pay a termination fee. Such provisions of the Merger Agreement could discourage or deter a third party that may be willing to pay more than Thoma Bravo for our outstanding common stock from considering or proposing such an acquisition of Everbridge. In 2023,** our revenue increased by $ ~~63~~ **16** . ~~5~~ **9** million for the year ended December 31, **2023 compared to** 2022 ~~compared to 2021~~ , due in part to the increase in our customer base. However, our business may not continue to grow ~~as~~ quickly or at all in the future, which would adversely affect our revenue and business prospects. Our business growth depends on a number of factors including: • our ability to execute upon our business plan effectively; • our ability to acquire new customers and renew agreements with existing customers; • our ability to further sell to our existing customers new applications and features and to additional departments in their organizations; • our ability to develop new applications to target new markets and use cases; • our ability to expand our international footprint; • the growth of the market in which we operate; • our ability to maintain our technology leadership position; and • our ability to acquire and integrate complementary business, technologies and teams. Further, our growth has placed, and will continue to place, a strain on our managerial, operational, financial and other resources, and our future operating results depend to a large extent on our ability to successfully manage our anticipated expansion and growth. To manage our growth successfully and handle the responsibilities of being a public company, we believe we must effectively, among other things: • increase our customer base and upsell and cross- sell additional and new applications to our existing customers; • invest in sales and marketing and expand our channel partner relationships; • develop new applications that target new markets and use cases; • expand our international operations; and • improve our platform and applications, financial and operational systems, procedures and controls. We intend to continue our investment in sales and marketing, platform and applications, research and development, and general and administrative functions and other areas to grow our business. We are likely to recognize the costs associated with these investments earlier than some of the anticipated benefits and the return on these investments may be lower, or may develop more slowly, than we expect, which could adversely affect our operating results. **For example, our investments in deploying generative artificial intelligence and machine learning technologies (" AI / ML ") may be substantial, and may be more expensive than anticipated. We must attract, develop and retain individuals with the requisite technical expertise and understanding of customers' needs to develop these new technologies and introduce new products. New lines of business, new products, and other initiatives related to, or that rely upon, AI / ML may be costly, difficult to operate and monetize, increase regulatory scrutiny and liability and litigation risk, and divert management' s attention, and there is no guarantee that they will be positively received by our community or provide positive returns on our investment. New products or features related to, or that rely upon, AI / ML may have technical issues that diminish the performance of our products. In addition, new products or features that we launch may ultimately prove unsuccessful or no longer fit with our priorities, and may be eliminated in the future. If we do not successfully develop new approaches to monetization that successfully leverage AI / ML or meet the expectations of our customers, we may not be able to maintain or grow our revenue as anticipated or recover any associated development costs, and our business could be seriously harmed.** If we are unable to manage our growth effectively in a manner that preserves the key aspects of our corporate culture, we may not be able to take advantage of market opportunities or develop new applications or upgrades to our existing applications and we may fail to satisfy customer requirements, maintain the quality and security of our applications, execute on our business plan or respond to competitive pressures, which could result in our financial results suffering and a decline in our stock price. We have posted a net loss in each year since inception, including net losses of $ **47. 3 million, $** 61. 2 million ~~,~~ **and** $ 94. 8 ~~million and $ 93. 4~~ million in the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~402~~ **449** . ~~1~~ **4** million. While we have experienced ~~significant~~

revenue growth in recent periods, we are not certain whether or when we will obtain a high enough volume of sales of our applications to sustain or increase our growth or achieve or maintain profitability in the future. Our ability to achieve or maintain profitability also has been and will continue to be impacted by non- cash stock- based compensation. We also expect our costs to increase in future periods, which could negatively affect our future operating results if our revenue does not increase. In particular, we expect to continue to expend substantial financial and other resources on: • sales and marketing, including **an** ~~a significant~~ expansion of our sales organization, both domestically and internationally; • research and development related to our platform and applications, including investments in our research and development team; • continued international expansion of our business; and • general and administration expenses, including legal and accounting expenses related to being a public company. These investments may not result in increased revenue or growth in our business. If we are unable to increase our revenue at a rate sufficient to offset the expected increase in our costs, our business, financial position and results of operations will be harmed, and we may not be able to achieve or maintain profitability over the long term. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays and other unknown factors that may result in losses in future periods. If our revenue growth does not meet our expectations in future periods, our financial performance may be harmed, and we may not achieve or maintain profitability in the future. To date, we have derived a ~~substantial~~ portion of our revenue from the sale of our Mass Notification application. If we are unable to renew or increase sales of this application, or if we are unable to increase sales of our other applications, our business and operating results could be adversely affected. **We expect to continue to** ~~While we have introduced several new event management applications over the last few years, we derived~~ **derive a portion** ~~35 %, 42 % and 50 %~~ of our revenue from sales of our Mass Notification ~~application in 2022, 2021 and 2020, respectively, and expect to continue to derive a substantial portion of our revenue from sales of this~~ application in the near term. As a result, our operating results could suffer due to: • any decline in demand for our Mass Notification application; • pricing or other competitive pressures from competing products; • the introduction of applications and technologies that serve as a replacement or substitute for, or represent an improvement over, our Mass Notification application; • technological innovations or new standards that our Mass Notification application ~~do~~ **does** not address; and • sensitivity to current or future prices offered by us or competing solutions. Because of our reliance on our Mass Notification application, our inability to renew or increase sales of this application or a decline in prices of this application would harm our business and operating results more seriously than if we derived significant revenue from a variety of applications. Any factor adversely affecting sales of our historical or new applications, including release cycles, market acceptance, competition, performance and reliability, reputation and economic and market conditions, could adversely affect our business and operating results. If we are unable to develop upgrades to our platform, develop new applications, sell our platform and applications into new markets or further penetrate our existing market, our revenue may not grow. Our ability to increase sales will depend in large part on our ability to enhance and improve our platform and applications, introduce new applications in a timely manner, develop new use cases for our platform and further penetrate our existing market. The success of any enhancement to our platform or new applications depends on several factors, including the timely completion, introduction and market acceptance of enhanced or new applications, the ability to maintain and develop relationships with channel partners and communications carriers, the ability to attract, retain and effectively train sales and marketing personnel and the effectiveness of our marketing programs. Any new application that we develop or acquire may not be introduced in a timely or cost- effective manner, and may not achieve the broad market acceptance necessary to generate significant revenue. Any new markets into which we attempt to sell our applications, including new vertical markets and new countries or regions, may not be receptive. Our ability to further penetrate our existing markets depends on the quality of our platform and applications and our ability to design our platform and applications to meet consumer demand. Any failure to enhance or improve our platform and applications as well as introduce new applications may adversely affect our revenue growth and operating results. If we are unable to attract new customers and retain existing customers, our business and results of operations will be affected adversely. To succeed, we must continue to attract new customers and retain existing customers who desire to use our existing CEM solutions and new products we introduce from time to time. Acquiring new customers is a key element of our continued success, growth opportunity, and future revenue. We will continue to invest in a direct sales force combined with a focused channel strategy designed to serve the various requirements of our target customer base. Any failures by us to execute in these areas will negatively impact our business. The rate at which new and existing customers purchase our products depends on a number of factors, many of which are outside of our control. For example, a deterioration in macroeconomic conditions in the markets we operate in including as a result of the ongoing conflict between Russia and Ukraine **and the evolving situation in the Middle East** , a slower than expected recovery from the pandemic, or for other reasons could have a negative impact on our customers, which could adversely impact our ability to attract new customers and retain existing customers. Changes in the corporate workforce from in- person to remote, or a shift in the patterns of work-related travel coming out of the COVID- 19 pandemic, may impact how our customers view their CEM needs. Our future success also depends on retaining our current customers at acceptable retention levels. Our retention rates may decline or fluctuate as a result of a number of factors outside our control, including competition, customers' budgeting and spending priorities, and overall general economic conditions in the geographic regions in which we operate. For example, the COVID- 19 pandemic caused customers to request concessions such as extended payment terms. Customers may delay or cancel CEM projects or seek to lower their costs by renegotiating existing vendor contracts. If our customers do not renew their subscriptions for our products and services, our revenue would decline and our business would suffer. In future periods, our total customers and revenue could decline or grow more slowly than we expect. If we are unable to sell additional services, features and products to our existing customers, our future revenue and operating results will be harmed. A significant portion of our revenue growth is generated from sales of additional services, features and products to existing customers. Our future success depends, in part, on our ability to continue to sell such additional services, features and products to our existing customers. We devote significant efforts to developing, marketing, and selling additional services, features and products and associated professional services to existing customers and rely on these efforts for a portion of our revenue. These efforts require a significant investment in building and maintaining customer relationships, as well as significant research and development efforts in order to provide upgrades and launch new services, features, and products. The rate at which our existing customers purchase additional services, features, and products depends on a number of factors, including the perceived need for additional CEM solutions, the efficacy of our current services, the perceived utility and efficacy of our new offerings, our customers' budgets, and general economic conditions in the geographic regions in which we operate, which may be impacted by, among other things, the economic uncertainty resulting from the global geopolitical tension due to **the** ongoing conflict between Russia and Ukraine **, the evolving situation in the Middle East** and consequences associated with COVID- 19. Any new applications we develop or acquire might not be introduced in a timely or cost- effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. In addition, if customers demand customized solutions and services that we do not offer, our upfront development costs would increase **,** which could negatively impact our operating results. If any of our competitors implements new technologies before we are able to implement them or better anticipates market opportunities, those competitors may be able to provide more effective or cheaper products than ours. If our efforts to sell additional services, features, and products to our customers are not successful, our future revenue and operating results will be harmed. Our business depends substantially on customers renewing their subscriptions with us and a decline in our customer renewals would harm our future operating results. In order for us to maintain or improve our operating results, it is important that our customers renew their subscriptions with us when the existing subscription term expires. Although the majority of our customer contracts include auto- renew provisions, our customers have no obligation to renew their subscriptions upon expiration, and we cannot provide assurance that customers will renew subscriptions at the same or higher level of service, if at all, particularly given the economic uncertainty resulting from the global geopolitical tension due to **the** ongoing conflict between Russia and Ukraine **, the evolving situation in the Middle East** and consequences associated with COVID- 19 pandemic, changes in how employees work and travel, and other macroeconomic factors such as increasing inflation. The rate of customer renewals may decline or fluctuate as a result of a number of factors, including our customers' satisfaction or dissatisfaction with our solutions, the effectiveness of our customer support services, our pricing, the prices of competing products or services, mergers and acquisitions affecting our customer base, or reductions in our customers' spending levels or general economic conditions in the geographic regions in which we operate, which may be impacted by, among other things, the economic uncertainty and volatility resulting from the ongoing war between Russia and Ukraine **, the evolving situation in the Middle East** , consequences of the COVID- 19 pandemic and other macroeconomic factors such as increasing inflation. If our customers do not renew their subscriptions, or renew on less favorable terms, our revenue may decline, and we may not realize improved operating results from our customer base. Failure to effectively develop and expand our sales and marketing capabilities could harm our ability to acquire new customers and achieve broader market acceptance of our platform and applications. To increase total customers and achieve broader market acceptance of our platform and applications, we will need to expand our sales and marketing organization, including the vertical and geographic distribution of our salesforce and our teams of account executives focused on new accounts, account managers responsible for renewal and growth of existing accounts, and business development representatives targeting new and growth business opportunity creation. We expect to continue to rely on our sales force to obtain new customers and grow revenue from our existing customer base and we will continue to dedicate significant resources to our global sales and marketing organizations. The effectiveness of our sales and marketing teams has varied over time and may vary in the future, and depends in part on our ability to maintain and improve our platform and applications. All of these efforts will require us to invest significant financial and other resources and we are unlikely to see the benefits, if any, of these increases until future periods after incurring these expenses. Our business will be seriously harmed if our efforts do not generate a correspondingly significant increase in revenue. We may not achieve revenue growth from expanding our salesforce if we are unable to hire, develop and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time or if our sales and marketing programs are not effective. If we are unable to successfully hire, train, manage and retain qualified personnel, especially those in sales and marketing and research and development, our business may suffer. We continue to be substantially dependent on our sales force to obtain new customers and increase sales with existing customers and our research and development personnel to continue to innovate and support our platform. Our ability to successfully pursue our growth strategy will also depend on our ability to attract, motivate and retain our personnel, especially those in sales, marketing, and research and development. We intend to continue to expand our global sales force, and we face a number of challenges in achieving our hiring goals. For instance, there is significant competition for sales personnel, including sales engineers, with the sales skills and technical knowledge that we require, including experience selling to large enterprise customers. We face intense competition for these employees from numerous technology, software and other companies, especially in certain geographic areas in which we operate, and we cannot ensure that we will be able to attract, motivate and / or retain sufficient qualified employees in the future. If we are unable to attract new employees and retain our current employees, we may not be able to adequately develop and maintain new products or professional services or market our existing products or professional services at the same levels as our competitors and we may, therefore, lose customers and market share. Our failure to attract and retain personnel, especially those in sales and marketing positions for which we have historically had a high turnover rate, could have an adverse effect on our ability to execute our business objectives and, as a result, our ability to compete could decrease, our operating results could suffer, and our revenue could decrease. We invest significant time and resources in training new personnel to understand our solutions. In general, new hires require significant training and substantial experience before becoming productive. Our recent hires and planned hires may not become as productive as we require, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we currently operate or where we seek to conduct business. Our business and operating results may be materially and adversely impacted if the efforts to retain our sales and marketing and research and development personnel are not successful. The nature of our business exposes us to inherent liability risks. Our solutions, including our Mass Notification, Safety Connection, IT Alerting, **Risk Intelligence** ~~Visual Command Center~~ , Public Warning, Community Engagement, ~~Risk Center,~~ Crisis Management, CareConverge, Control Center, ~~911 Connect,~~ Travel **Protector** ~~Risk Management~~ , SnapComms and E911, are designed to communicate life- saving or damage- mitigating information to the right people, on the right device, in the right location, at the right time during public safety threats and critical business events. In addition, certain of our solutions are designed to identify crisis events applicable to a customer and assist in responding to them. Due to the nature of such solutions, we are potentially exposed to greater risks of liability for employee acts or omissions or system failures than may be inherent in other businesses. Although substantially all of our customer and partner agreements contain provisions limiting our liability to our customers and partners, we cannot assure you that these limitations will be enforced or the costs of any litigation related to actual or alleged omissions or failures would not have a material adverse effect on us even if we prevail. Further, certain of our insurance policies and the laws of some states may limit or prohibit insurance coverage for punitive or certain other types of damages or liability arising from gross negligence and we cannot assure you that we are adequately insured against the risks that we face. Environmental, social and governance (“ ESG ”) expectations and standards expose the Company to risks that could adversely affect the Company’ s reputation and performance. Standards for identifying, measuring and reporting ESG matters continue to evolve, including requirements for ESG- related practices and disclosures that may be required of companies by securities regulators and customers. If the Company’ s ESG practices or disclosures, including with respect to such matters as board and employee diversity and climate- related disclosures, do not meet evolving investor, customer, or other stakeholder expectations, standards, and policies, then the Company’ s attractiveness as an investment, business partner, acquiror or service provider, as well as the reputation of the Company and its ability to attract or retain employees, could be negatively impacted. Further, the Company’ s failure or perceived failure to pursue or fulfill ESG objectives or to satisfy applicable reporting standards on a timely basis, or at all, could have similar negative impacts or expose the Company to government enforcement actions and private litigation. Because we generally recognize revenue ratably over the term of our contract with a customer, downturns or upturns in sales will not be fully reflected in our operating results until future periods. Our revenue is primarily generated from subscriptions to our critical event management applications. Our customers generally do not have the right to take possession of our software platform and applications. Revenue from subscriptions, including additional fees for items such as incremental usage, is recognized ratably over the subscription period beginning on the date that the subscription is made available to the customer. Our agreements with our customers typically range from one to three years. As a result, much of the revenue that we report in each quarter is attributable to agreements entered into during previous quarters. Consequently, a decline in sales, customer renewals or market acceptance of our applications in any one quarter would not necessarily be fully reflected in the revenue in that quarter, and would negatively affect our revenue and profitability in future quarters. This ratable revenue recognition also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers generally is recognized over the applicable agreement term. If our estimates or judgements relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected. The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (“ U. S. GAAP ”) requires management to make estimates and assumptions that affect the amounts reported in our 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 these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve revenue recognition and include others such as: the valuation of our stock- based compensation awards, including the determination of fair value of our common stock, among others. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock. We operate in an emerging and evolving market, which may develop more slowly or differently than we expect. If our market does not grow as we expect, or if we cannot expand our platform and applications to meet the demands of this market, our revenue may decline, fail to grow or fail to grow at an accelerated rate, and we may incur operating losses. The market for CEM solutions is in its early stages, and it is uncertain whether this market will continue to develop, and even if it does mature, how rapidly or how consistently it will develop or whether our platform and applications will be accepted into the markets in which we operate and plan to operate. Our success will depend, to a substantial extent, on the widespread adoption of our platform and applications as an alternative to historical mass notification systems. Some organizations may be reluctant or unwilling to use our platform and applications for a number of reasons, including concerns about additional costs, uncertainty regarding the reliability and security of cloud- based offerings or lack of awareness of the benefits of our platform and applications. Many organizations have invested substantial personnel and financial resources to integrate traditional on- premises applications into their businesses or have substantial security or compliance concerns, and therefore may be reluctant or unwilling to migrate to cloud- based applications. Our ability to expand sales of our platform and applications into new markets depends on several factors, including the awareness of our platform and applications; the timely completion, introduction and market acceptance of enhancements to our platform and applications or new applications that we may introduce; our ability to attract, retain and effectively train sales and marketing personnel; our ability to develop relationships with channel partners and communication carriers; the effectiveness of our marketing programs; the costs of our platform and applications; and the success of our competitors. If we are unsuccessful in developing and marketing our platform and applications into new markets, or if organizations do not perceive or value the benefits of our platform and applications, the market for our platform and applications might not continue to develop or might develop more slowly than we expect, either of which would harm our revenue and growth prospects. The markets in which we participate are competitive, and if we do not compete effectively, our operating results could be harmed. The market for critical event management solutions is highly fragmented, competitive and constantly evolving. With the introduction of new technologies and market entrants, we expect that the competitive environment in which we compete will remain intense going forward. Some of our competitors have made or may make acquisitions or may enter into partnerships or other strategic relationships to provide a more comprehensive offering than they individually had offered or achieve greater economies of scale. In addition, new entrants not currently considered to be competitors may enter the market through acquisitions, partnerships or strategic relationships. We compete on the basis of a number of factors, including: • application functionality, including local and multi-modal delivery in international markets; • breadth of offerings; • performance, security, scalability and reliability; • compliance with local regulations and multi- language support; • brand recognition, reputation and customer satisfaction; • ease of application implementation, use and maintenance; and • total cost of ownership. We face competition from in- house solutions, large integrated systems vendors and established and emerging cloud and SaaS and other software providers. Our competitors vary in size and in the breadth and scope of the products and services offered. Many of our competitors and potential competitors have greater name recognition, longer operating histories, more established customer relationships, larger marketing budgets and greater resources than we do. While some of our competitors provide a platform with applications to support one or more use cases, many others provide point- solutions that address a single use case. Further, other potential competitors not currently offering competitive applications may expand their offerings to compete with our solutions. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards and customer requirements. An existing competitor or new entrant could introduce new technology that reduces demand for our solutions. In addition to application and technology competition, we face pricing competition. Some of our competitors offer their applications or services at a lower price, which has resulted in pricing pressures. Some of our larger competitors have the operating flexibility to bundle competing applications and services with other offerings, including offering them at a lower price as part of a larger sale. For all of these reasons, we may not be able to compete successfully and competition could result in reduced sales, reduced margins, losses or the failure of our applications to achieve or maintain market acceptance, any of which could harm our business. We may not be able to scale our business quickly enough to meet our customers' growing needs and if we are not able to grow efficiently, our operating results could be harmed. As usage of our platform and applications grows, we will need to continue making significant investments to develop and implement new applications, technologies, security features and cloud- based infrastructure operations. Meeting our customers' growing needs will require the introduction of compelling new features, intelligence modules and capabilities that reflect the changing nature of our market to maintain and improve the quality, speed, and value of our platform. In addition, we will need to appropriately scale, maintain, or update our internal business systems and our services organization, including customer support and professional services, to serve our growing customer base, particularly as our customer demographics change over time. The success of any enhancement to our platform depends on several factors, including availability, frequent updates, analytics reflecting current commercial intelligence, competitive pricing, adequate quality testing, integration with existing technologies and overall market acceptance. Any failure of, or delay in, these efforts could impair the performance of our platform and applications and reduce customer satisfaction. Even if we are able to upgrade our systems and expand our staff, any such expansion may be expensive and complex, requiring management' s time and attention. To the extent that we do not effectively scale our platform and operations to meet the growing needs of our customers, we may not be able to grow as quickly as we anticipate, our customers may reduce or cancel use of our applications and professional services, we may be unable to compete effectively and our business and operating results may be harmed. Our operating results, including the levels of our revenue, renewal rates, cash flows, deferred revenue and gross margins, have historically varied from period to period, and we expect that these items will continue to do so as a result of a number of factors, many of which are outside of our control, including: • the level of demand for our products and services; • customer renewal rates and ability to attract new customers; • the extent to which customers purchase additional products or services; • the mix of our products and services sold during a period; • network outages, security breaches, technical difficulties or interruptions with our products; • changes in the growth rate of the markets in which we compete; • sales of our products and services due to seasonality and customer demand; • the timing and success of new product or service introductions by us or our competitors or any other changes in the competitive landscape of its industry, including consolidation among our competitors; • the introduction or adoption of new technologies that compete with our offerings; • decisions by potential customers to purchase critical event management products or services from other vendors; • the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business; • price competition; • our ability to successfully manage and integrate our previous acquisitions and any future acquisitions of businesses, including the acquisitions of RedSky, xMatters and Anvil and including without limitation the amount and timing of expenses and potential future charges for impairment of goodwill from acquired companies; • our ability to establish and grow relationships with partners to market and sell our products and services; • our continued international expansion and associated exposure to changes in foreign currency exchange rates; • the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure; • the success or perceived success of our 2022 Strategic Realignment; • the announcement or adoption of new regulations and policy mandates or changes to existing regulations and policy mandates, including any changes relating to the United Kingdom' s exit from the European Union, commonly referred to as " Brexit **;** " ~~;~~ • the cost or results of existing or unforeseen litigation and intellectual property infringement; • general economic conditions, both domestically and internationally, as well as economic conditions related to the COVID- 19 pandemic ~~and~~ **,** the war in Ukraine **and the evolving situation in the Middle East** ; • the impact of natural disasters or manmade problems such as terrorism or war; and • future accounting pronouncements or changes in our accounting policies. Fluctuations in our quarterly operating results, key metrics, non- GAAP metrics and the price of our common stock may be particularly pronounced in the current economic environment due to the uncertainty caused by the **ongoing** war in Ukraine **, the evolving situation in the Middle East** and **the** impact of public health crises, including the COVID- 19 pandemic. Each factor above or discussed elsewhere herein or the cumulative effect of some of these factors may result in fluctuations in our operating results. This variability and unpredictability could result in our failure to meet expectations with respect to operating results, or those of securities analysts or investors, for a particular period. If we fail to meet or exceed expectations for our operating results for these or any other reasons, the market price of our stock could fall and we could face costly lawsuits, including securities class action suits. Due to the foregoing factors and the other risks discussed in this Annual Report on Form 10- K, you should not rely on quarter- to- quarter comparisons of our results of operations as an indication of our future performance nor should you consider our recent revenue growth or results in any single period to be indicative of our future performance. Changes in the mix of sizes or types of businesses or government agencies that purchase our platform and applications purchased or used by our customers could affect our operating results. We have sold and will continue to sell to enterprises of all sizes, municipal and regional governmental agencies, non- profit organizations, educational institutions and healthcare organizations. Sales to larger organizations may entail longer sales cycles and more significant selling efforts. Selling to small businesses may involve greater credit risk and uncertainty. Changes in the sizes or types of businesses that purchase our applications could cause our operating results, including revenue recognition, to be adversely affected. If we fail to offer high- quality customer support, our business and reputation may suffer. We offer our customers implementation services and 24 / 7 support through our customer support centers as well as education, professional development and certification through Everbridge University ~~as well as~~ **in addition to** a range of consulting services. Consulting service offerings include onsite implementation packages, Certified Emergency Management professional operational reviews, dedicated client care representatives, custom web- based training ~~,~~ and development of client- specific communications materials to increase internal awareness of system value. Providing this education, training and support requires that our personnel who manage our training resources or provide customer support have specific experience, knowledge and expertise, making it more difficult for us to hire qualified personnel and to scale up our support operations **. Additionally, some of our customer support services are provided by employees who work remotely and, because of the challenges of working remotely, including collaborating with and managing employees, it may take significant time before our new hires and / or support centers achieve full productivity, if at all** . The importance of high- quality customer support will increase as we expand our business and pursue new customers and larger organizations ~~. We~~ **and we** may be unable to respond quickly enough to accommodate short- term increases in customer demand for support services or scale our services if our business grows **or our support centers do not achieve full productivity** . We also may be unable to modify the format of our support services **, including the inability to reduce the number of remote customer support service providers given many professionals desire a fully remote work setting,** or change our pricing to compete with changes in support services provided by our competitors. Increased customer demand for these services, without corresponding revenue, could increase our costs and harm our operating results. If we do not help our customers use applications within our platform and provide effective ongoing support, our ability to sell additional applications to, or to retain, existing customers may suffer and our reputation with existing or potential customers may be harmed. Acquisitions could disrupt our business and harm our financial condition and operating results. We have in the past and may in the future seek to acquire additional businesses, products or technologies. We also may evaluate and consider other potential strategic transactions, including investments in ~~,~~ businesses, technologies, services, products and other assets in the future. We also may enter into relationships with other businesses to expand our platform and applications, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing or investments in other companies. Achieving the anticipated benefits of past or future acquisitions and other strategic transactions will depend in part upon whether we can integrate acquired operations, products, and technology in a timely and cost- effective manner and successfully market and sell these as new product offerings, or as new features within our existing offerings. For example, we acquired **Red Sky Technologies Inc. (“** RedSky **”)** in January 2021, xMatters **Holdings, Inc. (“ xMatters ”)** in May 2021 and **The** Anvil **Group (International) Limited, Anvil Worldwide Limited and The Anvil Group Limited (collectively, “ Anvil ”)** in November 2021. The integration of these businesses and any other acquisitions may prove to be difficult due to the necessity of coordinating geographically separate organizations and integrating personnel with disparate business backgrounds and accustomed to different corporate cultures, business operations, and internal systems. We may need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked sufficiently effective controls, procedures and policies. The acquisition and integration processes are complex, expensive and time consuming, and may cause an interruption of, or loss of momentum in, product development, sales activities, and operations of both companies. Further, we may be unable to retain key personnel of an acquired company following the acquisition. If we are unable to effectively execute or integrate acquisitions, the anticipated benefits of such acquisition, including sales or growth opportunities or targeted synergies may not be realized, and our business, financial condition and operating results could be adversely affected. In addition, we may only be able to conduct limited due diligence on an acquired company’ s operations or may discover that the products or technology acquired were not as capable as we thought based upon the initial or limited due diligence. Following an acquisition, we may be subject to unforeseen liabilities arising from an acquired company’ s past or present operations and these liabilities may be greater than the warranty and indemnity limitations that we negotiate. Any unforeseen liability that is greater than these warranty and indemnity limitations could have a negative impact on our financial condition. The acquisitions we have completed in the past and any other acquisitions we complete will give rise to risks, including: • incurring higher than anticipated capital expenditures and operating expenses; • failing to assimilate the operations and personnel or failing to retain the key personnel of the acquired company or business; • failing to integrate the acquired technologies, or incurring significant expense to integrate acquired technologies, into our platform and applications; • disrupting our ongoing business; • diverting our management’ s attention and other company resources; • failing to maintain uniform standards, controls and policies; • incurring significant accounting charges; • impairing relationships with our customers and employees; • finding that the acquired technology, asset or business does not further our business strategy, that we overpaid for the technology, asset or business or that we may be required to write off acquired assets or investments partially or entirely; •

failing to realize the expected synergies of the transaction; • being exposed to unforeseen liabilities and contingencies that were not identified prior to acquiring the company; and • being unable to generate sufficient revenue and profits from acquisitions to offset the associated acquisition costs. Fully integrating an acquired technology, asset or business into our operations may take a significant amount of time. We may not be successful in overcoming these risks or any other problems encountered with acquisitions. To the extent that we do not successfully avoid or overcome the risks or problems related to any such acquisitions, our results of operations and financial condition could be harmed. Acquisitions also could impact our financial position and capital requirements, or could cause fluctuations in our quarterly and annual results of operations. Acquisitions could include significant goodwill and intangible assets, which may result in future impairment charges that would reduce our stated earnings. In addition, failure to maintain effective financial controls and reporting systems and procedures during and after integration of an acquired business could also impact our ability to produce timely and accurate financial statements. We may incur significant costs in our efforts to engage in strategic transactions and these expenditures may not result in successful acquisitions. We expect that the consideration we might pay for any future acquisitions of technologies, assets, businesses or teams could include stock, rights to purchase stock, cash or some combination of the foregoing. If we issue stock or rights to purchase stock in connection with future acquisitions, net income per share and then- existing holders of our common stock may experience dilution. We rely on the performance of our senior management and highly skilled personnel, and if we are unable to attract, retain and motivate well- qualified employees, our business and results of operations could be harmed. We believe our success has depended, and continues to depend, on the efforts and talents of our senior management and key personnel. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to attract them. In addition, the loss of any of our senior management or key personnel could interrupt our ability to execute our business plan, as such individuals may be difficult to replace. Our ability to hire and retain other key employees needed to achieve the Company' s growth objectives also depends on our ability to manage the existing equity incentive pool. If the equity pool is not refreshed, there is a risk that we may not be able to hire and retain such key employees. If the equity pool is refreshed with authorized shares of the Company that are issued in accordance with our 2016 Equity Incentive Plan, our stockholders will be diluted. Further, if we do not maintain a reasonable equity burn rate, our stockholders may be overly diluted and this may impact our ability to obtain shareholder approval to refresh our equity pool. If we do not succeed in attracting well- qualified employees or retaining and motivating existing employees, our business and results of operations could be harmed. **We have undergone** ~~Changes in our business and operations~~ , ~~as well as organizational~~ **and may continue to experience,** changes ~~, have placed, and may continue~~ to ~~place, significant demands on our management and infrastructure. If we fail to manage these changes effectively, we may be unable to execute our business plan, maintain high levels of service, or~~ **our** ~~address competitive challenges adequately. Over the past 12 months, we have experienced organizational changes, including the recent appointment of new executives~~ - **executive leadership team** ~~, including a new Chief Executive Officer, a new Chief Product Officer~~ and ~~a new Chief Revenue Officer, and the promotion, addition, or departure of members of our~~ senior management ~~team. These organizational changes have placed~~ , and ~~will continue to place, a significant strain on~~ our **future** ~~management, administrative, operational, and financial infrastructure. Our~~ success will depend in part ~~upon the~~ **on our** ability ~~of~~ **to manage these transitions successfully. From time to time, there may be changes to** our **executive leadership team and** senior management **for various reasons, including as a result of the hiring, departure or realignment of key personnel, particularly as a result of the recently announced entry into a Merger Agreement with Thoma Bravo. Such changes may adversely impact our operations, programs, growth, financial condition and results of operations. In 2022 and 2023, we had several changes to our executive leadership** team ~~to~~ **and senior** ~~manage~~ **management as a result of organizational changes and may continue to have such changes, including within our sales teams. In February 2024, we announced the departure of our Chief Financial Officer Patrick Brickley and the appointment of our new Chief Financial Officer David Rockvam. Any significant leadership change or senior management transition involves inherent risk and any failure to ensure the timely and suitable replacement and a smooth transition could hinder our strategic planning, business execution and future performance. In particular,** these **or any future leadership transitions may result in a loss of personnel with deep institutional or technical knowledge and** changes ~~effectively. If we fail to manage~~ **in business strategy or objectives and have** ~~these~~ -- **the potential to disrupt our operations and relationships with employees and customers due to added costs, operational inefficiencies,** changes ~~effectively~~ **in strategy** , **decreased employee morale and productivity, and increased turnover. Additionally,** we ~~may~~ be unable to **retain key personnel and recruit prospective employees, and the possibility that our current employees could be distracted, and their productivity decline as a result, due to uncertainty regarding the Merger. If we are unable to successfully manage changes to our** ~~execute~~ **executive leadership team and senior management, we could experience significant delays or difficulty in the achievement of our development and strategic objectives and** our business ~~plan~~ , ~~maintain high levels~~ **financial condition and results** of ~~service, or address competitive challenges adequately~~ **operations could be materially and adversely harmed** . If we are unable to effectively increase sales of our solutions to large organizations while mitigating the risks associated with serving such customers, our business, financial position and results of operations may suffer. Our growth strategy is dependent, in part, upon increasing sales of our solutions to large enterprises and governments. Sales to large customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller entities. These risks include: • increased purchasing power and leverage held by large customers in negotiating contractual arrangements with us; • unfavorable contact terms; • more stringent and complicated implementation processes, including stricter implementation deadlines and penalties for any failure to meet such deadlines; • more complex, stringent or costly requirements imposed upon us in our support service contracts with such customers, including stricter support response times and penalties for any failure to meet support requirements; • longer sales cycles, substantial upfront sales costs, and the associated risk that substantial time and resources may be spent on a potential customer that ultimately elects not to purchase our platform or purchases less than we hoped; • closer relationships with, and dependence upon, large technology companies who offer competitive products; and • more pressure for discounts and write- offs. In addition, our ability to successfully sell our services to large enterprises is dependent on us attracting and retaining sales personnel, including sales engineers, with experience in selling to large organizations. Also, because security breaches with respect to larger, high- profile enterprises are likely to be heavily publicized, there is increased reputational risk associated with serving such customers. If we are unable to increase sales of our offerings to large enterprise and government customers while mitigating the risks associated with serving such customers, our business, financial position and results of operations may suffer. Our revenue growth will depend in part on the success of our efforts to augment our direct- sales channels by developing relationships with third parties. We rely largely on the direct- sales model to market our platform. In order to continue to build our business, we plan to continue to develop partnerships to support our sales efforts through referrals and co- selling arrangements. Our efforts to develop relationships with partners are still at an early stage, we have generated limited revenue through these relationships to date, and we cannot assure you that we will be able to develop and maintain successful partnerships or that these partners will be successful in marketing and selling our platform or solutions based upon our platform. Identifying partners, negotiating and supporting relationships with them and maintaining relationships requires a significant commitment of time and resources that may not yield a significant return on our investment. We expect that our partners will have only limited commitments to dedicate resources to marketing and promoting our solutions. In addition, our competitors may be more effective in providing incentives to our partners or prospective partners to favor their products or services over our solutions. If we are unsuccessful in establishing or maintaining our relationships with partners, or if these partners are unsuccessful in marketing or selling our solutions or are unable or unwilling to devote sufficient resources to these activities, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results may suffer. Further, new or emerging technologies, technological trends or changes in customer requirements may result in certain third parties de- emphasizing their dealings with us or becoming potential competitors in the future. **We have identified a material weakness in our internal control over financial reporting and our management has concluded that our internal control over financial reporting and disclosure controls and procedures were not effective as of the end of the period covered by this report. While we are working to remediate the identified material weakness, we cannot assure you that additional material weaknesses or significant deficiencies will not occur in the future. If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our common stock. Management, including our Chief Executive Officer and our Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2023, and concluded that we did not maintain effective internal control over financial reporting. Management identified a material weakness related to ineffective information technology general controls in the areas of user access and program change-management over the primary system supporting our financial statement close process. As a result of these deficiencies, management determined our process- level Information Technology (" IT ") dependent manual and automated application controls were ineffective because they could have been adversely impacted to the extent that they rely upon information and configurations from the affected IT system. See Item 9A, " Controls and Procedures, " below. We have commenced efforts to remediate the material weakness as described in more detail in Item 9A, " Controls and Procedures, " below. The material weakness in our internal control over financial reporting will not be considered remediated until the controls operate for a sufficient period of time and management has concluded, through testing, that these controls operate effectively. If we do not successfully remediate the material weakness, or if other material weaknesses or other deficiencies arise in the future, we may be unable to accurately report our financial results, which could cause our financial results to be materially misstated and require restatement. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the control deficiencies that led to a material weakness in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses.** A component of our growth strategy involves the further expansion of our operations and customer base internationally ~~. We opened our first international office in Beijing, China in April 2012 and subsequently opened an office in Windsor, England in September 2012 as part of our geographic expansion~~ . In March 2014, we acquired Vocal Limited, a mass notification company based in Colchester, England. In December 2016, we acquired Svensk Krisledning AB, a SaaS mobile crisis management company based in Norsborg, Sweden. In April 2018, we acquired Unified Messaging Systems ASA, a critical communication and population alerting systems company based in Oslo, Norway. In May 2018, we acquired Respond B. V., a critical communication solutions company based in the Netherlands. In February 2020, we acquired CNL Software Limited, a global provider of physical security information management platform software based in Camberley, United Kingdom. In March 2020, we acquired One2Many Group B. V. based in the Netherlands. In May 2020, we acquired Techwan SA based in Switzerland. In August 2020, we acquired SnapComms Limited based in New Zealand. In November 2021 we acquired Anvil Worldwide Limited and The Anvil Group Limited based in the United Kingdom. For the years ended December 31, **2023 and** 2022 ~~and 2021~~ , approximately **25 % and** 26 ~~% and 25~~ % of our revenue, respectively, was derived from customers located outside of the United States and Canada. We intend to further expand our local presence in regions such as Europe, the Middle East and Asia. Our current international operations and future initiatives will involve a variety of risks, including: • currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future; • economic or political instability in foreign markets; • greater difficulty in enforcing contracts, accounts receivable collection and longer collection periods; • more stringent regulations relating to technology, including with respect to privacy, data security and the unauthorized use of, access to, or deletion of ~~commercial and~~ personal **data** ~~information, particularly in the European Union~~ ; • difficulties in maintaining our company culture with a dispersed and distant workforce; • unexpected changes in regulatory requirements, taxes or trade laws; • differing labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations; • challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs; • difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems and regulatory systems; • limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries; • limited or insufficient intellectual property protection; • political instability or terrorist activities; • differing exposure to, responses to and capacities for managing the COVID- 19 pandemic; • likelihood of potential or actual violations of domestic and international anticorruption laws, such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act, or of U. S. and international export control and sanctions regulations, which likelihood may increase with an increase of sales or operations in foreign jurisdictions and operations in certain industries; and • adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and operating results will suffer. We continue to implement policies and procedures to facilitate our compliance with U. S. laws and regulations applicable to or arising from our international business. Inadequacies in our past or current compliance practices may increase the risk of inadvertent violations of such laws and regulations, which could lead to financial and other penalties that could damage our reputation and impose costs on us. Our business, including the sales of our products and professional services by us and our channel partners, may be subject to foreign governmental regulations, which vary substantially from country to country and change from time to time. Our failure, or the failure by our channel partners, to comply with these regulations could adversely affect our business. Further, in many foreign countries it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U. S. regulations applicable to us. Although we have implemented policies and procedures designed to comply with these laws and policies, there can be no assurance that our employees, contractors, channel partners and agents have complied, or will comply, with these laws and policies. Violations of laws or key control policies by our employees, contractors, channel partners or agents could result in delays in revenue recognition, financial reporting misstatements, fines, penalties or the prohibition of the importation or exportation of our products and could have a material adverse effect on our business and results of operations. If we are unable to successfully manage the challenges of international expansion and operations, our business and operating results could be adversely affected. We are also continuing to monitor developments related to the United Kingdom' s departure from the European Union in 2020, commonly referred to as " Brexit. " The full effect of Brexit remains uncertain, but it could have significant implications for our business and could lead to economic and legal uncertainty, including significant volatility in global stock markets and currency exchange rates, and differing laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Any of these effects of Brexit, among others, could adversely affect our operations in the United Kingdom and our financial results. We are subject to risks relating to local crises and geopolitical instability due to our security and travel assistance services. Especially through our subsidiary Anvil, we provide medical, security and travel assistance service through a network of service providers who provide on- the- ground security, travel or healthcare services to our customers' employees when they are traveling abroad. Our services include the security and transport of customer assets. The support we receive from service providers could be affected by geopolitical instability or conflict and we may have difficulty enforcing agreements or protecting assets due to crisis situations. For example, during the outbreak of the war in Ukraine, we had to rely on service providers to evacuate customer employees. We may also face difficulties if we undertake commitments to customers who, when in times of crisis, create a demand that exceeds what we have contracted for in the region. We may also face challenges with regulatory compliance when moving assets and individuals between countries **, including with respect to timely obtaining any licenses or other authorizations as may be required** . If we cannot maintain our company culture as we grow, our success and our business may be harmed. We believe our culture has been a key contributor to our success to- date and that the critical nature of the solutions that we provide promotes a sense of greater purpose and fulfillment in our employees. We have invested in building a strong corporate culture and believe it is one of our most important and sustainable sources of competitive advantage. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our company culture, particularly given the remote or hybrid work environment as a result of COVID- 19 related shifts in the workplace. If we fail to maintain our company culture, our business may be adversely impacted. Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing. Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds to invest in future growth opportunities. Additional financing may not be available on favorable terms, if at all. Weakness and volatility in the capital markets and the economy in general could limit our access to the capital markets and increase our cost of borrowing. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could seriously harm our business and operating results. If we incur debt, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. As a result, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest. Our sales cycle can be unpredictable, time- consuming and costly, which could harm our business and operating results. Our sales process involves educating prospective customers and existing customers about the use, technical capabilities and benefits of our platform and applications. Prospective customers, especially larger organizations, often undertake a prolonged evaluation process, which typically involves not only our solutions, but also those of our competitors and lasts from four to nine months or longer. We may spend substantial time, effort and money on our sales and marketing efforts without any assurance that our efforts will produce any sales. Events affecting our customers' businesses may occur during the sales cycle that could affect the size or timing of a purchase, contributing to more unpredictability in our business and operating results. As a result of these factors, we may face greater costs, longer sales cycles and less predictability in the future. On May 3, 2022, our Board ~~of Directors~~ approved the 2022 Strategic Realignment program to strategically realign our resources in order to accelerate and grow our investments in our largest growth opportunities while streamlining our operations. The 2022 Strategic Realignment program includes a targeted realignment and reduction of headcount, facilities and other third- party spend. ~~On~~ **In** November ~~2,~~ 2022 **and July 2023** , our Board ~~of Directors~~ approved ~~an amendment~~ **amendments** to the 2022 Strategic Realignment program to include additional targeted realignment and reduction of headcount and other third- party spend. The 2022 Strategic Realignment program is in support of the 2022 strategic initiatives to simplify our business and accelerate the integration of recent acquisitions. We expect to record in the aggregate approximately $ ~~14~~ **18** million to $ ~~15~~ **19** million in restructuring charges associated with the 2022 Strategic Realignment and $ 16 million to $ 17 million in business transformation costs associated with the 2022 Strategic Realignment. A significant portion of these charges will result in future cash expenditures, and the program is expected to be substantially completed by the ~~end~~ **first half** of fiscal ~~2023~~ **2024** . Although we believe that the 2022 Strategic Realignment will reduce overhead costs, enhance operational simplicity, and result in improved Adjusted EBITDA, we cannot guarantee that the 2022 Strategic Realignment will achieve or sustain the targeted benefits, or that the benefits, even if achieved, will be adequate to meet our long- term profitability and operational expectations. Risks associated with the continuing impact of the 2022 Strategic Realignment also include additional unexpected costs and negative impacts on our cash flows from operations and liquidity, employee attrition beyond our intended reduction in force and adverse effects on employee morale, diversion of management attention, adverse effects to our reputation as an employer, which could make it more difficult for us to hire new employees in the future, and potential failure or delays to meet operational and growth targets due to the loss of qualified employees. If we do not realize the expected benefits or synergies of the 2022 Strategic Realignment, our business, financial condition, cash flows and results of operations could be negatively impacted. ~~Risks Related to Cybersecurity and Reliability~~ If our, our customers' or ~~our~~ **the** third- **parties** ~~party providers~~ ' **upon which we rely** security measures or information technologies are compromised or unauthorized access to **our data,** the data of our customers or their employees, customers or constituents is otherwise obtained, our platform may be perceived as not being secure, our customers may be harmed and may curtail or cease their use of our applications, our reputation may be damaged and we may incur significant liabilities. In the ordinary course of our operations, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) **our data,** data of our customers and their employees, customers and constituents, including ~~personally~~ -- **personal data** ~~identifiable information~~ such as contact information **, health information,** and physical location, as well as other **proprietary, confidential and sensitive** data including ~~health information or~~ financial information **(collectively, sensitive information). The services we provide are often critical to our clients' businesses** . Security incidents, whether as a result of third- party action, employee or customer error, technology impairment or failure, malfeasance or criminal activity, could result in unauthorized access to, or loss or unauthorized disclosure of, this **sensitive** information, litigation, indemnity obligations **, harms to our constituents, such as resulting from delays or errors in providing our services, lower renewal rates, loss of or delay in market acceptance of our solutions, loss of competitive position or claims by customers for losses sustained by them or expose us to breach of contract claims,** and other possible liabilities **or harms** , as well as negative publicity, which could damage our reputation, impair our sales and harm our customers and our business. Cyber incidents and malicious internet- based activity continue to increase generally, and providers of cloud- based services have been targeted. We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social- engineering attacks (including through **deep fakes, which may be increasingly more difficult to identify as fake and** phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial- of- service attacks **,** ~~(such as~~ credential stuffing ~~)~~ , credential harvesting, personnel misconduct or error, ransomware attacks, supply- chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications **or other basic infrastructure** failures, earthquakes, fires, floods **, attacks enhanced or facilitated by AI** , and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent – particularly for companies like ours who provide cloud- based services – and can lead to significant interruptions in our operations, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Some actors now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber- attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services. We have experienced malicious internet- based attacks in the past and while to date none have been material to our business, we may in the future be the target of attempts to gain unauthorized access to our systems. **We rely on third parties and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud- based**

infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers, and other functions. We also rely on third parties to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If the third parties upon which we rely experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if these third parties fail to satisfy their privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. If third parties ~~with whom~~ **upon which** we ~~work~~ **rely** , such as vendors or developers, violate applicable laws or our security policies **or experience a security incident** , ~~such violations~~ **our sensitive information** may ~~also~~ **be** put ~~our customers' information~~ at risk and could in turn have an adverse effect on our business **. In addition, supply- chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or the third parties' upon which we rely supply chains have not been compromised. Our solutions and our platform are frequently deployed and used in large- scale environments operated by individuals with different operating systems and third- party software and applications, which have in the past, and may in the future, experience errors in use, or failures of, our solutions** . While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps to detect **, mitigate,** and remediate vulnerabilities **in** ~~, but we may be unable to anticipate or~~ **our information** ~~prevent vulnerabilities or techniques used to obtain unauthorized access or to sabotage~~ systems ~~because they change frequently~~ **(such as our hardware** and ~~often are~~ **/ or software, including that of third parties upon which we rely). We may** not **, however,** ~~detected~~ -- **detect** ~~until after an~~ **and remediate all** ~~incident has occurred. Therefore,~~ such vulnerabilities **including on a timely basis. Further, we may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities** could be exploited **and result in** ~~but may not be detected until after~~ a security incident ~~has occurred. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities~~ . As we increase our customer base and our brand becomes more widely known and recognized, third parties may increasingly seek to compromise our security controls or gain unauthorized access to our sensitive ~~corporate~~ information ~~or customers' data~~ . Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. Further, because of the nature of the services that we provide to our customers during public safety threats and critical business events, we may be a unique target for attacks. Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. **Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon which we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon which we rely) to provide our services. We may expend significant resources or modify our business activities to try to protect against security incidents. Certain of our client contracts require us to comply with certain security obligations, which could include maintaining network security and backup data, ensuring our network is virus- free, maintaining business continuity planning procedures, and verifying the integrity of employees that work with our clients by conducting background checks.** Many governments have enacted laws requiring companies to notify individuals **or other stakeholders** of ~~data~~ security incidents or unauthorized transfers involving certain types of personal data. In addition, some of our customers contractually require notification of any data security incident. Accordingly, security incidents experienced by our competitors, by our customers ~~or~~ **,** by us **, or by third parties upon which we rely** may lead to **disclosures (including** public ~~disclosures~~ **)** , which may lead to widespread negative publicity **and** ~~. Any security compromise in our industry, whether actual or perceived, could harm our reputation, erode customer confidence in the effectiveness of our security measures, negatively impact our ability to attract new customers, cause existing customers to elect not to renew their subscriptions or subject us to third- party lawsuits, regulatory fines or~~ other **harms** ~~action or liability, which could materially and adversely affect our business and operating results~~ . Further, the costs of compliance with notification laws and contractual obligations may be significant and any requirement that we provide such notifications as a result of an actual or alleged compromise could have a material and adverse effect on our business **. Additionally, if we or the third parties upon which we rely experience a security incident, we could be subject to significant liability from our clients or from our clients' customers for breaching contractual confidentiality provisions or privacy laws. Any security incident in our industry, whether actual or perceived, could harm our reputation, erode customer confidence in the effectiveness of our security measures, negatively impact our ability to attract new customers, cause existing customers to elect not to renew their subscriptions, result in loss of revenue, or subject us to third- party lawsuits, result in regulatory fines or other action or liability, or cause other harms, which could materially and adversely affect our business and operating results. For instance, on April 21, 2023, the FDEM notified us of the termination of its contract one year early, effective June 30, 2023, as a result of a procedural human error related to a planned emergency test notification to residents across Florida. On April 27, 2023, we entered into a Contract amendment with the FDEM that rescinds the termination and modifies the end date of the Contract to December 31, 2023. The amendment also added an option for a six- month renewal of service, which was exercised, to June 30, 2024, the original length of the Contract** . While we maintain general liability insurance coverage and coverage for errors or omissions, we cannot assure you that such coverage would be adequate or would otherwise protect us from liabilities or damages with respect to claims **relating to** ~~alleging compromises of personal~~ data **privacy or security obligations** or that such coverage will continue to be available on acceptable terms or at all. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. While we may be entitled to damages if our third- party service providers fail to satisfy their privacy or security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. ~~If our computer systems are or become vulnerable to security breaches or we are unable to comply with our security obligations, we may face reputational damage and lose clients and revenue. The services we provide are often critical to our clients' businesses. Certain of our client contracts may require us to comply with security obligations, which could include maintaining network security and backup data, ensuring our network is virus- free, maintaining business continuity planning procedures, and verifying the integrity of employees that work with our clients by conducting background checks. Any failure in our systems or breach of security relating to the services we provide to the client could damage our reputation or result in a claim for substantial damages against us.~~ Our liability for breaches of data security requirements **or related to a security incident** , for which we may be required to indemnify our clients, may be extensive. **Additionally** ~~Any significant failure of our equipment or systems~~ , **sensitive information** ~~or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide services to our clients, have a negative impact on our reputation, cause us to lose clients, and adversely affect our results of operations. In addition, we often have access to or are required to collect and store confidential client and customer data. If any person, including any of our employees or former employees, penetrates our network security, accidentally exposes our data or code, or misappropriates data or code that belongs to us, our clients, or our clients' customers, we~~ could be **leaked, disclosed,** ~~subject to significant liability from our~~ - **or** ~~clients or from~~ **revealed as a result of** ~~our~~ - **or** ~~clients~~ **in connection with our employee** ' ~~customers~~ **s, personnel' s,** ~~for~~ - **or vendor' s use** ~~breaching contractual confidentiality provisions or privacy laws. Unauthorized disclosure~~ of **generative AI technologies. Moreover, any** sensitive **information that we input into a third- party AI / ML platform could be leaked** or ~~confidential client~~ **disclosed to others, including if sensitive information is used to train the third parties' AI / ML model. Additionally, where** ~~and~~ - **an** ~~customer~~ **AI / ML model ingests personal** data **and makes connections using such data** , ~~whether through breach of~~ **those technologies may reveal other personal** ~~our~~ - **or sensitive** ~~computer systems, systems failure, loss or theft of confidential~~ information **generated** ~~or intellectual property belonging to our clients or our clients' customers, or otherwise, could damage our reputation, cause us to lose clients and revenues, and result in financial and other potential losses~~ by ~~us~~ **the model. Moreover, AI / ML models may create flawed, incomplete, or inaccurate outputs, some of which may appear correct. This may happen if the inputs that the model relied on were inaccurate, incomplete or flawed (including if a bad actor " poisons " the AI / ML with bad inputs or logic), or if the logic of the AI / ML is flawed (a so- called " hallucination ")** . Interruptions or delays in service from our third- party data center providers could impair our ability to make our platform and applications available to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers, limited growth and reduction in revenue. Our operations depend, in part, on our third- party facility providers' abilities to protect these facilities against damage or interruption from natural disasters, power or telecommunications failures, cyber incidents, criminal acts and similar events. In the event that any of our third- party facilities arrangements are terminated, or if there is a lapse of service or damage to a facility, we could experience interruptions in our platform as well as delays and additional expenses in arranging new facilities and services. Any changes in third- party service levels at our data centers or any errors, defects, disruptions, cyber incidents or other performance problems with our solutions could harm our reputation. ~~We also rely on third- party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, encryption and authentication technology, crisis identification and notification, employee email, content delivery to customers, and other functions.~~ Any damage to, or failure of, the systems of our third- party providers could result in interruptions to our platform. Despite precautions taken at our data centers, the occurrence of spikes in usage volume, natural disasters, cyber incidents, acts of terrorism, vandalism or sabotage, closure of a facility without adequate notice or other unanticipated problems could result in lengthy interruptions in the availability of our platform and applications. Problems faced by our third- party data center locations, with the telecommunications network providers with whom they contract, or with the systems by which our telecommunications providers allocate capacity among their customers, including us, could adversely affect the experience of our customers. Because of the nature of the services that we provide to our customers during public safety threats and critical business events, any such interruption may arise when our customers are most reliant on our applications, thereby compounding the impact of any interruption on our business. Interruptions in our services might reduce our revenue, cause us to issue refunds to customers and subject us to potential liability ~~. We may expend significant resources or modify our business activities to try to protect against security incidents. Additionally, certain data privacy and security obligations may require us to implement and maintain specific security measures or industry- standard or reasonable security measures to protect our information technology systems and sensitive information~~ . Further, our insurance policies may not adequately compensate us for any losses that we may incur in the event of damage or interruption. Although we benefit from liability protection under the Support Anti- Terrorism by Fostering Effective Technology Act of 2002, the occurrence of any of the foregoing could reduce our revenue, subject us to liability, cause us to issue credits to customers or cause customers not to renew their subscriptions for our applications, any of which could materially adversely affect our business. Failures or reduced accessibility of third- party software on which we rely could impair the availability of our platform and applications and adversely affect our business. We license software from third parties for integration into our platform and applications, including open source software. These licenses might not continue to be available to us on acceptable terms, or at all. While we are not substantially dependent upon any individual piece of third- party software, the loss of the right to use all or a significant portion of our third- party software required for the development, maintenance and delivery of our applications could limit access to our platform and applications, or result in delays in the provision of our applications until we develop or identify, obtain and integrate equivalent technology, which could harm our business. Any errors, defects, viruses, or security vulnerabilities in the hardware or software we use could result in errors, interruptions, cyber incidents, security breaches, or a failure of our applications. Any significant interruption in the availability of all or a significant portion of such software could have an adverse impact on our business unless and until we can replace the functionality provided by these applications at a similar cost. Additionally, we rely upon third parties' abilities to enhance their current applications, develop new applications on a timely and cost- effective basis and respond to emerging industry standards and other technological changes. We may be unable to effect changes to such third- party technologies, which may prevent us from rapidly responding to evolving customer requirements, which could, in turn, negatively impact our ability to generate revenue and adversely impact our business. We also may be unable to replace the functionality provided by the third- party software currently offered in conjunction with our applications in the event that such software becomes obsolete or incompatible with future versions of our platform and applications or is otherwise not adequately maintained or updated. Please see the section titled " The use of open source software in our platform and applications may expose us to additional risks and harm our intellectual property ~~.~~" for additional discussion of the risks associated with use of open source software. If we do not or cannot maintain the compatibility of our platform with third- party applications that our customers use in their businesses, our revenue may decline. As a significant percentage of our customers choose to integrate our solutions with certain capabilities provided by third- party providers, the functionality and popularity of our solutions depend, in part, on our ability to integrate our platform and applications with certain third- party systems. Third- party providers may change the features or functionality of their technologies, restrict our access to their applications, cease providing their technologies, or alter the terms governing use of their applications in an adverse manner. Such changes could limit or terminate our ability to use these third- party technologies in conjunction with our platform and applications, which could negatively impact the value of our solutions, the speed and accuracy of our crisis notifications, and harm our business. If we fail to integrate our solutions with new third- party applications that our customers use, we may not be able to offer the functionality that our customers need or otherwise remain competitive with the evolving market for critical event management solutions, which would negatively impact our ability to generate revenue and adversely impact our business. ~~Risks Related to Data Privacy and Government Regulation~~ We are subject to stringent and evolving U. S. and foreign laws, regulations, **and** rules, contractual obligations, policies **, industry standards,** and other legal obligations ~~, particularly~~ related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could result in adverse consequences, including regulatory investigations or actions, litigation **and mass arbitration demands** , fines and penalties, disruptions of our business operations, and reputational harm. ~~Compliance with such laws could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue.~~ We ~~collect receive, store,~~ process **personal data** ~~, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share~~ (~~collectively~~ **including about our customers' employees** , ~~process~~ **customers and constituents**) ~~personally identifiable~~ **and other sensitive** information ~~and other data~~ , including health information and financial information ~~if applicable,~~ directly from our customers and through our channel partners ~~. We also process or otherwise handle personally identifiable information about our customers' employees, customers and constituents in certain circumstances~~ . We use this information to provide applications to our customers and **, in certain instances,** to support, expand and improve our business ~~. We may also share customers' personally identifiable information with third parties as described in our privacy policy and / or as otherwise authorized by our customers~~ . Our data processing activities may subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. Some proposed laws or regulations concerning privacy, data protection and information security are in their early stages, and we cannot yet determine how these laws and regulations may be interpreted nor can we determine the impact these proposed laws and regulations, may have on our business. Such proposed laws and regulations may require companies to implement privacy and security policies, permit users to access, correct and delete personal ~~information~~ **data** stored or maintained by such companies, inform individuals of security breaches that affect their personal ~~information~~ **data** , and, in some cases, obtain individuals' consent to use personal ~~information~~ **data** for certain purposes. **Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf.** In addition, **these obligations may** ~~a foreign government could~~ require **us** ~~that any personal information collected in a country not be disseminated outside of that country, and we may not be currently equipped~~ to **change our business model** ~~comply with such a requirement~~ . Our failure to comply with federal, state ~~and international~~ **, local or foreign** data privacy laws and ~~regulators~~ **regulations** could harm our ability to successfully operate our business and pursue our business goals. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). For example, ~~the federal Health Insurance Portability and Accountability Act of 1996 ("~~ HIPAA ~~"), as amended by the Health Information Technology for Economic and Clinical Health Act (" HITECH "),~~ imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. ~~The~~ **Additionally, the** Controlling the Assault of Non- Solicited Pornography and Marketing Act of 2003 (~~"~~ **"** CAN- SPAM ") and the Telephone Consumer Protection Act of 1991 (" TCPA ") impose specific requirements on communications with customers. For example, the TCPA imposes various consumer consent requirements and other restrictions on certain telemarketing activity and other communications with consumers by phone, fax or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission or fines of up to $ 1, 500 per violation imposed through private litigation or by state authorities. Additionally, certain sector- specific regulations, including regarding the financial industry, may require additional privacy and security- related obligations. **In the past few years, numerous U. S. states — including California, Virginia, Colorado, Connecticut, and Utah — have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling, and automated decision- making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance.** For example ~~, the Gramm Leach Bliley Act (“ GLBA ”), as amended, imposes specific requirements relating to the privacy and security of certain nonpublic personal information processed by covered financial institutions. California enacted legislation in 2018~~ , the California Consumer Privacy Act (“ CCPA ”) ~~, that became operative on January 1, 2020, and~~ applies to personal ~~information~~ **data** of consumers, business representatives, and employees ~~. The CCPA requires covered companies to~~ , ~~among other things, provide new disclosures to California consumers,~~ and ~~affords such consumers new abilities to opt- out of certain sales of personal information. The CCPA~~ provides for **fines** ~~civil penalties~~ of up to $ 7, 500 per **intentional** violation and allows private litigants affected by certain data breaches to recover significant statutory damages. In addition, the California Privacy Rights Act of 2020 (“ CPRA ”) expands the CCPA’ s requirements, including by adding a new right for individuals to correct their personal ~~information~~ **data** and establishing a new regulatory agency to implement and enforce the law. ~~Other states, such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar~~ **Similar** laws are being considered in several other states, as well as at the federal and local levels. **These** ~~We cannot fully predict the impact of the CCPA and other state~~ laws ~~on our business or operations, but it~~ may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. Additionally, **under various** ~~regulators are increasingly scrutinizing companies that process children’ s data. Numerous laws, regulations, and legally- binding codes, such as the Children’ s Online Privacy Protection Act (“ COPPA ”), the CCPA and CPRA, other U. S. state comprehensive~~ privacy laws **and other obligations** , **we may be required to obtain certain consents to process personal data, including to process health and medical data in certain jurisdictions. As another example, some of our data processing practices may be challenged under wiretapping laws, since we obtain consumer information from third parties through various methods, including chatbot providers. These practices may be subject to increased challenges by class action plaintiffs. Our inability or failure to obtain consent for these practices could result in adverse consequences, including class action litigation and mass arbitration demands. Outside the United States,** ~~and~~ - **an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example,** the **EU** ~~European Union’ s~~ General Data Protection Regulation (“ EU GDPR ”) and the **UK** ~~United Kingdom’ s~~ GDPR (**collectively** “ ~~UK~~ GDPR ”) **, Brazil’ s General** ~~impose various obligations on companies that process children data~~ **Data Protection Law** ~~, including by requiring certain consents to process such data and extending certain rights to children and their parents with respect that data. Some of these obligations have wide ranging applications, including for services that do not intentionally target child users~~ (**Lei Geral de Proteção de Dados Pessoais, or “ LGPD ”** ~~defined in some circumstances as a user under the age of 18 years old~~) **(** ~~. In addition, several foreign countries and governmental bodies, including the European Union and Canada, have regulations governing the collection and use of personal information obtained from their residents, which are often more restrictive than those in the United States. Laws~~ - **Law No. 13** ~~and regulations in these jurisdictions apply broadly to the collection~~ , ~~use~~ **709 / 2018)** , ~~storage, disclosure and security of personal information that identifies or may be used to identify an~~ **and Australia’ s** ~~individual, such as names, email addresses and in some jurisdictions, Internet Protocol, or IP, addresses. Such regulations and laws may be modified and new laws may be enacted in the future. Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy~~ **Privacy Act** ~~and security. For example~~ , ~~the EU GDPR and the UK GDPR and~~ China’ s Personal Information Protection Law (“ PIPL ”) impose strict requirements for processing personal data. ~~In~~ **For example, under the GDPR, fines of up to 20 million euros or up to 4 % of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain GDPR requirements, or the company could be subject to private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Additionally,** Canada ~~, the~~ **’ s** Personal Information Protection and Electronic Documents Act (“ PIPEDA ”) and various related provincial laws, as well as Canada’ s Anti- Spam Legislation (“ CASL ”), may apply to our operations. ~~Within the European Union, legislators have adopted the General Data Protection Regulation (“ EU GDPR ”), which went into effect in May 2018. The GDPR includes more stringent operational requirements on entities that process personal data (as compared to existing EU law), including significant penalties for non- compliance, more robust obligations on data processors and data controllers, greater rights for data subjects (potentially requiring significant changes to both our technology and operations), and heavier documentation requirements for data protection compliance programs. Specifically, the GDPR introduces numerous privacy- related changes for companies operating in the EU, including greater control over personal data by data subjects (e. g., the “ right to be forgotten ”), increased data portability for EU consumers, data breach notification requirements and increased fines. Under the GDPR, fines of up to 20 million euros or up to 4 % of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain GDPR requirements, or the company could be subject to private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. The GDPR requirements apply~~

~~not only to third- party transactions, but also to transfers of information between us and our subsidiaries, including employee information.~~ In the ordinary course of business, we ~~may~~ transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the UK have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions, including China, may adopt similarly stringent interpretations of their data localization and cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA ~~and~~ **standard contractual clauses, the** UK' s ~~standard contractual clauses~~ **International Data Transfer Agreement / Addendum, and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self- certify compliance and participate in the Framework)** , these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States ~~. Companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR' s cross- border data transfer limitations. This could result in increased costs of compliance and limitations on our customers and us. Despite our ongoing efforts to maintain compliance with the GDPR, we may not be successful either due to various factors within our control (such as limited financial or human resources) or outside our control (such as a lack of vendor cooperation). It' s also possible that local data protection authorities (" DPAs ") may have different interpretations of the GDPR, leading to potential inconsistencies amongst various EU states~~ . If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally- compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. **Companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR' s cross- border data transfer limitations.** Additionally, **the development and use of AI / ML presents various privacy and security risks that may impact our business. AI / ML is subject to privacy and data security laws, as well as increasing regulation and scrutiny.** ~~several~~ **Several** ~~states and localities~~ **jurisdictions around the globe** have **proposed,** enacted **or are considering** measures related to the use of **AI / ML** ~~artificial intelligence and machine learning~~ in products and services **, including the EU' s AI Act. We expect other jurisdictions will adopt similar laws. Additionally, certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with our use of AI / ML. These obligations may make it harder for us to conduct our business using AI / ML, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI / ML, or prevent or limit our use of AI / ML** . For example, ~~in Europe,~~ **the U. S. Federal Trade Commission has required** ~~there~~ - **other companies to turn over (or disgorge) valuable insights or trainings generated through the use of AI / ML where they allege the company has violated privacy and consumer protection laws. If we cannot use AI / ML or that use** is **restricted, our business may be less efficient, or we may be at** a **competitive disadvantage** ~~proposed regulation related to artificial intelligence (" AI ") that, if adopted, could impose onerous obligations related to our use of AI or machine learning- related systems~~ . We may have to change our business practices to comply with such obligations **. Moreover, our employees and personnel use generative AI technologies to perform their work, and the disclosure and use of personal data in generative AI is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use AI, it could make our business less efficient and result in competitive disadvantages. We use AI / ML to assist us in making certain decisions, which is regulated by certain privacy laws. Due to inaccuracies or flaws in the inputs, outputs, or logic of the AI / ML, the model could be biased and could lead us to make decisions that could bias certain individuals (or classes of individuals), and adversely impact their rights, employment, and ability to obtain certain pricing, products, services, or benefits** . Globally, governments and agencies have adopted and could in the future adopt, modify, apply or enforce laws, policies, regulations, and standards covering user privacy, data security, technologies such as cookies that are used to ~~collect, store and / or~~ process data, marketing online, the use of data to inform marketing, the taxation of products and services, unfair and deceptive practices, and the ~~collection (including the collection of information), use,~~ processing ~~, transfer, storage and / or disclosure~~ of data associated with unique individual internet users ~~. New regulation or legislative actions (or new interpretations of existing laws, regulations or standards) regarding data privacy and security, together with applicable industry standards, may increase the costs of doing business and could have a material adverse impact on our operations. If our privacy or data security measures fail to comply with current or future laws and regulations, we may be subject to litigation, regulatory investigations, fines or other liabilities, as well as negative publicity and a potential loss of business, which could have a material adverse effect on our reputation and business. Moreover, if future laws and regulations limit our customers' ability to use and share personal information or our ability to store, process and share personal information, demand for our applications could decrease, our costs could increase, and our business, results of operations and financial condition could be harmed~~ . We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the GDPR and the CCPA, require our customers to impose specific contractual restrictions on their service providers. Additionally, some of our customer contracts require us to host personal data locally. We publish privacy policies, marketing materials and other statements, such as compliance with certain certifications or self- regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences. Certain of our customers require applications that...... and regulations could harm our business. Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that **we rely** ~~process personal data~~ on ~~our behalf~~. In addition, these obligations may require us to change our business model. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on ~~whom~~ **which** we rely may fail to comply with such obligations, which could negatively impact our business operations. If we, or the third- parties upon which we rely, do not comply with laws or regulations ~~such as those detailed in preceding risk factors~~, ~~or if we become liable under these laws or regulations due to the failure of our~~ - **or other privacy or security obligations** ~~customers to comply with these laws by obtaining proper consent~~, we could face significant consequences, including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- action claims); additional reporting requirements and / or oversight; bans on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials. In **particular** ~~certain jurisdictions~~, **plaintiffs have become increasingly more active in bringing privacy- related claims against companies, including class claims and mass arbitration demands. Some of** these **claims allow for** ~~regulatory requirements may be more stringent than those~~ -- **the** ~~in~~ **recovery of statutory damages on a per violation basis, and, if viable, carry** the ~~United States~~ **potential for monumental statutory damages, depending on the volume of data and the number of violations** . If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management' s attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, reputation, results of operations and financial condition **.** Certain of our customers require applications that ensure secure processing,communication and storage of sensitive information given the nature of the content being distributed and associated applicable regulatory requirements.In particular,our healthcare customers rely on our applications to communicate in a manner that is designed to comply with the requirements of **HIPAA** ~~the Health Insurance Portability and Accountability Act of 1996,the 2009 Health Information Technology for Economic and Clinical Health Act,the Final Omnibus Rule of January 25,2013,~~ which ~~are collectively referred to as HIPAA,and which impose~~ **imposes** privacy and data security standards that protect individually identifiable health information by limiting the uses and disclosures of individually identifiable health information and requiring that certain data security standards be implemented to protect this information.As a " business associate " to " covered entities " that are subject to HIPAA,we also have our own compliance obligations directly under HIPAA and pursuant to the business associate agreements that we are required to enter into with our customers that are HIPAA- covered entities,or HIPAA- business associates and with our subcontractors that process individually identifiable health information on our behalf.Our failure to maintain compliance with HIPAA could result in significant **administrative,** civil and ~~criminals~~ - **criminal** penalties,as well as breach of contract claims from our customers and subcontractors.Governments and industry organizations may also adopt new laws,regulations or requirements,or make changes to existing laws or regulations,that could impact the demand for,or value of,our applications.If we are unable to adapt our applications to changing legal and regulatory standards or other requirements in a timely manner,or if our applications fail to allow our **customers to communicate in compliance with applicable laws and regulations,our customers may lose confidence in our applications and could switch to products offered by our competitors,or threaten or bring legal actions against us** . A portion of our revenue is generated by subscriptions sold to governmental entities and heavily regulated organizations, which are subject to a number of challenges and risks. A portion of our revenue is generated by subscriptions sold to government entities. Additionally, many of our current and prospective customers, such as those in the financial services, and healthcare and life sciences industries, are highly regulated and may be required to comply with more stringent regulations in connection with subscribing to and implementing our applications. Selling subscriptions to these entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that we will successfully complete a sale. In addition, delivering subscribed solutions to these governmental entities can be expensive and time consuming; for example, requiring complex integrations with various local telecommunications carriers, telecommunications infrastructure that changes over the course of the sale and delivery process, and various changing telecommunications standards (for example, 2G through 5G). Delivery delay in early projects may cause backlog impacting later projects. Furthermore, engaging in sales activities to foreign governments introduces additional compliance risks specific to the Foreign Corrupt Practices Act, the U. K. Bribery Act and other similar statutory requirements prohibiting bribery and corruption in the jurisdictions in which we operate. Governmental and highly regulated entities often require contract terms that differ from our standard arrangements. For example, the federal government provides grants to certain state and local governments for our applications and if such governmental entities do not continue to receive these grants, they have the ability to terminate their contracts without penalty. Governmental and highly regulated entities impose compliance requirements that are complicated, require preferential pricing or " most favored nation " terms and conditions, or are otherwise time consuming and expensive to satisfy. If we undertake to meet special standards or requirements and do not meet them, we could be subject to increased liability from our customers or regulators. Even if we do meet these special standards or requirements, the additional costs associated with providing our applications to government and highly regulated customers could harm our margins. Moreover, changes in the underlying regulatory conditions that affect these types of customers could harm our ability to efficiently provide our applications to them and to grow or maintain our customer base. Collecting payment from a government entity may also present difficulties. For example, governmental demand and payment for our applications may also be impacted by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our solutions. Potential regulatory requirements placed on our applications and content could impose increased costs on us, delay or prevent our introduction of new applications, and impair the function or value of our existing applications. Certain of our existing applications, such as Secure Collaboration, a tailored version of our Secure Messaging application that is designed to comply with HIPAA, are and are likely to continue to be subject to increasing regulatory requirements in a number of ways and as we continue to introduce new applications, we may be subject to additional regulatory requirements and other risks that could be costly and difficult to comply with or that could harm our business. In addition, we market our applications and professional services in certain countries outside of the United States and plan to expand our local presence in regions such as Europe, the Middle East and Asia. If additional legal and / or regulatory requirements are implemented in the foreign countries in which we provide our services, the cost of developing or selling our applications may increase. As these requirements proliferate and as existing legal requirements become subject to new interpretations, we must change or adapt our applications and professional services to comply. Changing regulatory requirements might render certain of our applications obsolete or might block us from accomplishing our work or from developing new applications. This might in turn impose additional costs upon us to comply or to further develop our applications. It might also make introduction of new applications or service types more costly or more time- consuming than we currently anticipate. It might even prevent introduction by us of new applications or cause the continuation of our existing applications or professional services to become unprofitable or impossible. **We may use AI / ML in our products and services and our potential failure to effectively implement, use, and market these technologies, may result in operational challenges, legal liability, reputational concerns, competitive** ~~Risks~~ **risks** ~~Related~~ **and regulatory concerns that could adversely affect our business and results of operations. We may adopt AI / ML processes and algorithms into our daily operations, including by implementing AI / ML into our products and services, which may result in adverse effects** to **our operations, legal liability, reputation and competitive risks. Generative AI / ML products and services leverage existing and widely available technologies. The use of generative AI processes at scale is relatively new, and may lead to challenges, concerns and risks that are significant or that we may not be able to predict, especially if our use of these technologies in our products and services becomes more important to our operations over time. Implementing AI / ML in our products and services may be difficult to deploy successfully due to operational issues inherent to the nature of such technologies, including the development, maintenance and operation of deep learning datasets. For example, AI algorithms use machine learning and predictive analytics which may be insufficient or of poor quality and reflect inherent biases and could lead to flawed, biased, and inaccurate results. Deficient or inaccurate recommendations, forecasts or analyses that generative AI applications assist in producing could lead to customer rejection or skepticism of our products, affect our reputation or brand, and negatively affect our financial results. Further, unauthorized use or misuse of AI / ML by our employees or others may result in disclosure of confidential company and customer data, reputational harm, privacy law violations and legal liability.** Our ~~Intellectual Property~~ **use of AI / ML may also lead to novel and urgent cybersecurity risks, including the misuse of personal data, which may adversely affect our operations and reputation. As a result, we may not be able to successfully implement AI / ML into our products, services and operations despite expending significant time and monetary resources to attempt to do so. We face significant competition in respect of AI / ML- based products and services. If we are unable to provide enhancements and new features for our AI / ML products and services or to develop new products and services that achieve market acceptance and that keep pace with rapid technological developments and evolving industry standards, our business would be materially and adversely affected. The failure of our technology, products or services to gain market acceptance due to more attractive offerings by our competitors or the introduction of new competitors to the market with new or innovative product offerings could significantly reduce our revenues, increase our operating costs or otherwise materially and adversely affect our business, financial condition, results of operations and cash flows. Uncertainty in the legal regulatory regime relating to AI / ML and emerging ethical issues surround the use of AI / ML may require significant resources to modify and maintain business practices to comply with U. S. and non- U. S. laws, the nature of which cannot be determined at this time. Existing laws and regulations may apply to us or our vendors or suppliers in new ways and new laws and regulations may be instituted. Several jurisdictions around the globe, including Europe and certain U. S. states, have already proposed or enacted laws governing AI. For example, European regulators have concluded a provisional agreement on AI regulation, the Artificial Intelligence Act (" AI Act "), which will apply beyond the European Union' s borders. If enacted as currently proposed, the AI Act will ban AI applications that pose an unacceptable level of risk and establish obligations for AI providers and those deploying AI systems. We expect other jurisdictions will adopt similar laws. Other jurisdictions may decide to adopt similar or more restrictive legislation that may render the use of such technologies challenging. We may experience challenges in adapting our operations and services to such legislation, if applicable. Any actual or perceived failure to comply with these laws, regulations or ethical standards could include severe penalties, reputational harm, and slow adoption of AI in our products and services.** Our future success and competitive position depend in part on our ability to protect our intellectual property and proprietary technologies. To safeguard these rights, we rely on a combination of patent, trademark, copyright and trade secret laws and contractual protections in the United States and other jurisdictions, some of which afford only limited protection. We have numerous issued patents and patent applications pending as of December 31, ~~2022~~ **2023** . We cannot assure you that any patents will issue from any patent applications, that patents that issue from such applications will give us the protection that we seek or that any such patents will not be challenged, invalidated, or circumvented. Any patents that may issue in the future from our pending or future patent applications may not provide sufficiently broad protection and may not be enforceable in actions against alleged infringers. In addition, we have registered the “ Everbridge , ” ~~,~~“ Nixle ” and “ Visual Command Center ” names in the United States, and have registered the “ Everbridge ” name in the European Union. We have registrations and / or pending applications for additional marks in the United States and various other countries; however, we cannot assure you that any future trademark registrations will be issued for pending or future applications or that any registered trademarks will be enforceable or provide adequate protection of our proprietary rights. In order to protect our unpatented proprietary technologies and processes, we rely on trade secret laws and confidentiality agreements with our employees, consultants, vendors and others. Despite our efforts to protect our proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use them. In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights, or develop similar technologies and processes. Further, the contractual provisions that we enter into may not prevent unauthorized use or disclosure of our proprietary technology or intellectual property rights and may not provide an adequate remedy in the event of unauthorized use or disclosure of our proprietary technology or intellectual property rights. Effective trade secret protection may not be available in every country in which our services are available or where we have employees or independent contractors. The loss of trade secret protection could make it easier for third parties to compete with our solutions by copying functionality. In addition, any changes in, or unexpected interpretations of, the trade secret and employment laws in any country in which we operate may compromise our ability to enforce our trade secret and intellectual property rights. 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, to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time- consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Failure to adequately enforce our intellectual property rights could also result in the impairment or loss of those rights. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Patent, copyright, trademark and trade secret laws offer us only limited protection and the laws of many of the countries in which we sell our services do not protect proprietary rights to the same extent as the United States and Europe. Accordingly, defense of our trademarks and proprietary technology may become an increasingly important issue as we continue to expand our operations and solution development into countries that provide a lower level of intellectual property protection than the United States or Europe. Policing unauthorized use of our intellectual property and technology is difficult and the steps we take may not prevent misappropriation of the intellectual property or technology on which we rely. For example, in the event of inadvertent or malicious disclosure of our proprietary technology, trade secret laws may no longer afford protection to our intellectual property rights in the areas not otherwise covered by patents or copyrights. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. We may elect to initiate litigation in the future to enforce or protect our proprietary rights or to determine the validity and scope of the rights of others. That litigation may not be ultimately successful and could result in substantial costs to us, the reduction or loss in intellectual property protection for our technology, the diversion of our management’ s attention and harm to our reputation, any of which could materially and adversely affect our business and results of operations. Our failure or inability to adequately protect our intellectual property and proprietary rights could harm our business, financial condition and results of operations. Patent and other intellectual property disputes are common in our industry and we have been involved in such disputes from time to time in the ordinary course of our business. Some companies, including some of our competitors, own large numbers of patents, copyrights and trademarks, which they may use to assert claims against us. Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us. They may also assert such claims against our customers whom we typically indemnify against claims that our solution infringes, misappropriates or otherwise violates the intellectual property rights of third parties. As the numbers of products and competitors in our market increase and overlaps occur, claims of infringement, misappropriation and other violations of intellectual property rights may increase. Any claim of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from our business. As we seek to extend our platform and applications, we could be constrained by the intellectual property rights of others and it may also be more likely that competitors or other third parties will claim that our solutions infringe their proprietary rights. We might not prevail in any intellectual property infringement litigation given the complex technical issues and inherent uncertainties in such litigation. Defending such claims, regardless of their merit, could be time- consuming and distracting to management, result in costly litigation or settlement, cause development delays or require us to enter into royalty or licensing agreements. In addition, we currently have a limited portfolio of issued patents compared to our larger competitors, and therefore may not be able to effectively utilize our intellectual property portfolio to assert defenses or counterclaims in response to patent infringement claims or litigation brought against us by third parties. Further, litigation may involve patent holding companies or other adverse patent owners who have no relevant applications or revenue and against which our potential patents provide no deterrence, and many other potential litigants have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. If our platform or any of our applications exceed the scope of in- bound licenses or violate any third- party proprietary rights, we could be required to withdraw those applications from the market, re- develop those applications or seek to obtain licenses from third parties, which might not be available on reasonable terms or at all. Any efforts to re- develop our platform and our applications, obtain licenses from third parties on favorable terms or license a substitute technology might not be successful and, in any case, might substantially increase our costs and harm our business, financial condition and results of operations. If we were compelled to withdraw any of our applications from the market, our business, financial condition and results of operations could be harmed. We have indemnity obligations to our customers and certain of our channel partners for certain expenses and liabilities resulting from intellectual property infringement claims regarding our platform and our applications, which could force us to incur substantial costs. We have indemnity obligations to our customers and certain of our channel partners for intellectual property infringement claims regarding our platform and our applications. As a result, in the case of infringement claims against these customers and channel partners, we could be required to indemnify them for losses resulting from such claims or to refund amounts they have paid to us. We also expect that some of our channel partners with whom we do not have express contractual obligations to indemnify for intellectual property infringement claims may seek indemnification from us in connection with infringement claims brought against them. We may elect to indemnify these channel partners where we have no contractual obligation to indemnify them and we will evaluate each such request on a case- by- case basis. If a channel partner elects to invest resources in enforcing a claim for indemnification against us, we could incur significant costs disputing it. If we do not succeed in disputing it, we could face substantial liability. We may be subject to damages resulting from claims that our employees or contractors have wrongfully used or disclosed alleged trade secrets of their former employers or other parties. We have in the past and may in the future be subject to claims that employees or contractors, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of our competitors or other parties. Litigation may be necessary to defend against these claims. If we fail in defending against such claims, a court could order us to pay substantial damages and prohibit us from using technologies or features that are essential to our solutions, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of these parties. In addition, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to develop, market and support potential solutions or enhancements, which could severely harm our business. Even if we are successful in defending against these claims, such litigation could result in substantial costs and be a distraction to management. Our platform and some of our applications use or incorporate software that is subject to one or more open source licenses and we may incorporate additional open source software in the future. Open source software is typically freely accessible, usable and modifiable; however, certain open source software licenses require a user who intends to distribute the open source software as a component of the user' s software to disclose publicly part or all of the source code to the user' s software. In addition, certain open source software licenses require the user of such software to make any modifications or derivative works of the open source code available to others on potentially unfavorable terms or at no cost. Use and distribution of open source software may entail greater risks than use of third- party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. The terms of many open source licenses to which we are subject have not been interpreted by U. S. or foreign courts, and accordingly there is a risk that those licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to commercialize our platform and applications. In that event, we could be required to seek licenses from third parties in order to continue offering our platform and applications, to re- develop our platform and applications, to discontinue sales of our platform and applications or to release our proprietary software code in source code form under the terms of an open source license, any of which could harm our business. Further, given the nature of open source software, it may be more likely that third parties might assert copyright and other intellectual property infringement claims against us based on our use of these open source software programs. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our applications. Although we are not aware of any use of open source software in our platform and applications that would require us to disclose all or a portion of the source code underlying our core applications, it is possible that such use may have inadvertently occurred in deploying our platform and applications, or that persons or entities may claim such disclosure to be required. Disclosing our proprietary source code could allow our competitors to create similar products with lower development effort and time and ultimately could result in a loss of sales for us. Disclosing the source code of our proprietary software could also make it easier for cyber attackers and other third parties to discover vulnerabilities in or to defeat the protections of our products, which could result in our products failing to provide our customers with the security they expect. Any of these events could have a material adverse effect on our business, operating results and financial condition. Additionally, if a third- party software provider has incorporated certain types of open source software into software we license from such third party for our platform and applications without our knowledge, we could, under certain circumstances, be required to disclose the source code to our platform and applications. This could harm our intellectual property position and our business, results of operations and financial condition. ~~Risks Related to Ownership of Our Common Stock~~ The market price of our common stock may be highly volatile and may fluctuate substantially as a result of a variety of factors, some of which are related in complex ways. Our stock price ranged from an intraday low of $ ~~24~~ **18** . ~~10~~ **50** to an intraday high of $ ~~68~~ **35** . ~~23~~ **55** during the year ended December 31, ~~2022~~ **2023** . Factors that may affect the market price of our common stock include: • actual or anticipated fluctuations in our financial condition and operating results; • variance in our financial performance from expectations of securities analysts; • changes in the prices of our applications; • changes in our projected operating and financial results; • changes in laws or regulations applicable to our platform and applications; • announcements by us or our competitors of significant business developments, acquisitions or new applications; • our involvement in any litigation; • our sale of our common stock or other securities in the future; • changes in senior management or key personnel; • trading volume of our common stock; • changes in the anticipated future size and growth rate of our market; and • general economic, regulatory and market conditions. Recently, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may negatively impact the market price of our common stock. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial costs and divert our management' s attention. We have provided and may continue to provide guidance about our business, future operating results and other business metrics. In developing this guidance, our management must make certain assumptions and judgments about our future performance. Some of those key assumptions relate to the impact of the global geopolitical tension including as a result of the ongoing conflict between Ukraine and Russia **, the evolving situation in the Middle East** , the consequences of the COVID- 19 pandemic, the anticipated contributions from the acquisitions of RedSky, xMatters and Anvil, and the associated economic uncertainty on our business and the timing and scope of economic activity globally, which are inherently difficult to predict. This guidance, which consists of forward- looking statements, is qualified by, and subject to, such assumptions, estimates and expectations as provided, and the other information contained in or referred to in the factors described in this Annual Report on Form 10- K and our other current and periodic reports filed with the Securities and Exchange Commission. While presented with numerical specificity, this guidance is necessarily speculative in nature, and is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions or economic conditions, some of which may change. It can be expected that some or all of the assumptions, estimates and expectations of the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release of such guidance. Furthermore, analysts and investors may develop and publish their own projections of our business, which may form a consensus about our future performance. Our business results may vary significantly from such guidance or that consensus due to a number of factors, many of which are outside of our control, including due to the global economic uncertainty and financial market conditions caused by the ongoing war in Ukraine **, the evolving situation in the Middle East** and the consequences of the COVID- 19 pandemic, and which could adversely affect our operations and operating results. Furthermore, if we make downward revisions of our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors or other interested parties, the price of our common stock would decline. ~~Conversion~~ **Conversions** of the 2026 Notes and 2024 Notes may dilute the ownership interest of existing stockholders **to** ~~, including holders who had previously converted their~~ -- **the extent** ~~Notes, if~~ we **elect** ~~are unable~~ to **satisfy** ~~generate sufficient cash to repay or~~ **our** ~~fail to refinance the debt~~ **conversion obligation by delivering shares of our common stock** . It may also otherwise depress the price of our common stock. In March 2021, we issued the 2026 Notes, which will mature on March 15, 2026, unless earlier redeemed or repurchased by us or converted by the holders thereof pursuant to their terms. In December 2019, we issued the 2024 Notes, which will mature on December 15, 2024, unless earlier redeemed or repurchased by us or converted by the holders thereof pursuant to their terms. The conversion of some or all of the convertible 2026 Notes and 2024 Notes may dilute the ownership interests of existing stockholders to the extent we **elect to satisfy our conversion obligation by** ~~deliver~~ **delivering** shares **of our common stock** upon conversion of any of the 2026 Notes and 2024 Notes ~~, if we are unable to generate sufficient cash to repay or fail to refinance the debt~~ . ~~During~~ **As of December 31,** ~~2022~~ **2023** , ~~we paid~~ approximately $ ~~288~~ **300** . **3** ~~8 million in cash to repurchase approximately $ 316. 4~~ million principal amount of ~~our 2024~~ **2026** Notes **and approximately** ~~. There is~~ $ ~~133~~ **63** . ~~6~~ **5** million principal amount of 2024 Notes **were** outstanding. The **2026 Notes and** 2024 ~~Notes and 2026~~ Notes were not convertible during the year ended December 31, ~~2022~~ **2023** . Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the 2026 Notes and 2024 Notes may encourage short selling by market participants because the conversion of the 2026 Notes and 2024 Notes could be used to satisfy short positions, or anticipated conversion of the 2026 Notes and 2024 Notes into shares of our common stock could depress the price of our common stock. The capped call transactions entered into when we issued the convertible notes may affect the value of our common stock. In connection with the issuances of the 2026 Notes and 2024 Notes, we entered into capped call transactions with the respective option counterparties. The capped call transactions are expected generally to reduce the potential dilution upon conversion of the 2026 Notes and 2024 Notes and / or offset any cash payments we are required to make in excess of the principal amount of converted 2026 Notes and 2024 Notes, as the case may be, with such reduction and / or offset subject to a cap. In connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the 2026 Notes and 2024 Notes. The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the 2026 Notes and 2024 Notes (and are likely to do so during any observation period related to a conversion of 2026 Notes and 2024 Notes **or in connection with any termination or unwind of the capped call transactions**). This activity could cause or avoid an increase or a decrease in the market price of our common stock. The Sarbanes- Oxley Act of 2002 requires that we maintain effective internal control over financial reporting and disclosure controls and procedures. We are required, pursuant to Section 404 of the Sarbanes- Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our compliance with Section 404 necessitates that we incur substantial accounting expense and expend significant management efforts. We will continue to dedicate internal resources, engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting and to compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404. However, we cannot assure you that our independent registered public accounting firm will be able to attest to the effectiveness of our internal control over financial reporting. We may not be able to remediate any material weaknesses that may be identified, or to complete our evaluation, testing and any required remediation in a timely fashion and our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Any failure to maintain adequate internal controls over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to assert that our internal control over financial reporting is effective, or if our auditors are unable to express an opinion on the effectiveness of our internal controls when they are required to issue such opinion, investors could lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the Nasdaq Global Market, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline. The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. We do not anticipate paying any cash dividends in the foreseeable future, and accordingly, stockholders must rely on stock appreciation for any return on their investment. We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends to holders of our common stock in the foreseeable future. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may have the effect of delaying or preventing a change in control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that: • authorize our ~~board~~ **Board** ~~of directors~~ to issue preferred stock, without further stockholder action and with voting liquidation, dividend and other rights superior to our common stock; • require that any action to be taken by our stockholders be affected at a duly called annual or special meeting and not by written consent, and limit the ability of our stockholders to call special meetings; • establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for director nominees; • establish that our ~~board~~ **Board** ~~of directors~~ is divided into three classes, with directors in each class serving three- year staggered terms; • require the approval of holders of two- thirds of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or amend or repeal the provisions of our certificate of incorporation regarding the election and removal of directors and the ability of stockholders to take action by written consent or call a special meeting; • prohibit cumulative voting in the election of directors; and • provide that vacancies on our ~~board~~ **Board** ~~of directors~~ may be filled only by the vote of a majority of directors then in office, even though less than a quorum. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our ~~board~~ **Board** ~~of directors~~, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any " interested " stockholder for a period of three years following the date on which the stockholder became an " interested " stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your common stock in an acquisition. Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Pursuant to our amended and restated certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, or (4) any action asserting a claim governed by the internal affairs doctrine. Our amended and restated certificate of incorporation further provides that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the foregoing provision. The forum selection clause in our amended and restated certificate of incorporation may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Future sales of our common stock in the public market could cause our share price to decline. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales, particularly sales by our directors, executive officers and significant stockholders, may have on the prevailing market price of our common stock. Additionally, the shares of common stock subject to outstanding options under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans, as well as shares issuable upon vesting of restricted stock awards, will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. In addition, in the future, we may issue common stock or other securities if we need to raise additional capital. The number of new shares of our common stock issued in connection with raising additional capital could constitute a material portion of our then-outstanding shares of our common stock. Steps taken by activist shareholders from time to time could conflict with our strategic direction, divert the attention of our Board ~~of Directors~~ , management, and employees, be costly and time- consuming, and disrupt the momentum in our business and operations, as well as our ability to execute our strategic plan. For example, in connection with our 2022 Annual Meeting of our Shareholders (the " 2022 Annual Meeting "), an activist investor announced that it intended to withhold support for certain directors nominated by the Board ~~of Directors~~ for reelection and made multiple public statements in recent months regarding the Company' s strategy, Board ~~of Directors~~ and management team. These types of actions may also create perceived uncertainties as to the future direction of our business or strategy, which may be exploited by our competitors and may make it more difficult to attract and retain qualified personnel, and may impact our relationship with investors, vendors, customers and other third parties. These types of actions could also impact the market price and the volatility of our common stock. In addition, we may choose to initiate, or may become subject to, litigation as a result of shareholder actions, which would serve as a further distraction to our Board ~~of Directors~~ , senior management and employees and could require us to incur significant additional costs. ~~Risks Related to our Indebtedness~~ In March 2021, we issued the 2026 Notes, which will mature on March 15, 2026, unless earlier redeemed or repurchased by us or converted by the holders thereof pursuant to their terms. In December 2019, we issued the 2024 Notes, which will mature on December 15, 2024, unless earlier redeemed or repurchased by us or converted by the holders thereof pursuant to their terms. ~~During~~ **As of December 31,** ~~2022~~ **2023** , ~~we paid~~ approximately $ ~~288~~ **300** . **3** ~~8 million in cash to repurchase approximately $ 316. 4~~ million principal amount of ~~our~~ **2026 Notes and approximately $ 63. 5 million principal amount of** 2024 Notes **were outstanding** . The 2026 Notes and 2024 Notes rank senior in right of payment to all of our indebtedness that is expressly subordinated in right of payment to the 2026 Notes and 2024 Notes; equal in right of payment to all of our liabilities that are not so subordinated (including to the 2024 Notes, in the case of the 2026 Notes, and to the 2026 Notes, in the case of the 2024 Notes); effectively junior to any of our secured indebtedness, to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt ranking senior or equal in right of payment to the 2026 Notes and 2024 Notes will be available to pay obligations on the 2026 Notes and 2024 Notes only after the secured debt has been repaid in full from these assets, and our assets will be available to pay common stockholders only after all debt obligations have been repaid. There may not be sufficient assets remaining to pay amounts due on any or all of the 2026 Notes and 2024 Notes then outstanding or any or all shares of our common stock then outstanding. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the 2026 Notes and 2024 Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. As of December 31, ~~2022~~ **2023** , we had $ ~~508~~ **363** . ~~6~~ **7** million (undiscounted) principal amount of indebtedness under the 2026 Notes and 2024 Notes. Our indebtedness may: • limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general business purposes; • limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general business purposes; • require us to use a substantial portion of our cash flow from operations to make debt service payments; • limit our flexibility to plan for, or react to, changes in our business and industry; • place us at a competitive disadvantage compared to our less leveraged competitors; and • increase our vulnerability to the impact of adverse economic and industry conditions. In addition, any future indebtedness that we may incur may contain financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full. The accounting method for convertible debt securities that may be settled in cash, such as the 2026 Notes and 2024 Notes, could have a material effect on our reported financial results. In August 2020, the Financial Accounting Standards Board (" FASB ") issued Accounting Standards Update (~~"~~ **"** ASU ~~"~~ **"**) 2020- 06, Debt — Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging — Contracts in Entity' s Own Equity (Subtopic 815- 40): Accounting for Convertible Instruments and Contracts in an Entity' s Own Equity. ASU 2020- 06 ~~reduces~~ **reduced** the number of accounting models for convertible instruments by eliminating two of the three models in Accounting Standards Codification (" ASC ") 470- 20, Debt — Debt with Conversion and Other Options, that require separate accounting for embedded conversion features, ~~amends~~ **amended** the requirements for a contract that is potentially settled in an entity' s own shares to be classified in equity, and ~~amends~~ **amended** certain guidance on the computation of earnings per share for convertible instruments and contracts on an entity' s own equity. We adopted the standard on January 1, 2022 using the modified retrospective approach. Upon adoption of ASU 2020- 06, we no longer separately present in equity the embedded conversion feature of the convertible senior notes. Instead, we account for the convertible senior notes wholly as debt. The elimination of the cash conversion model ~~reduces~~ **reduced** reported interest expense in periods subsequent to adoption. In the event the conditional conversion feature of the 2026 Notes or 2024 Notes is triggered, holders of the 2026 Notes or 2024 Notes, as the case may be, will be entitled to convert the 2026 Notes or 2024 Notes, as applicable, at any time during specified periods at their option. The 2026 Notes and 2024 Notes were not convertible during the year ended December 31, ~~2022~~ **2023** . If one or more holders elect to convert their 2026 Notes or 2024 Notes, as the case may be, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2026 Notes or 2024 Notes, as the case may be, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes or 2024 Notes, as applicable, as a current rather than long- term liability, which would result in a material reduction of our net working capital. ~~Risks Related to Taxation~~ **As of December 31, 2023, the 2024 Notes are classified as current liabilities on the consolidated balance sheet as the notes mature in less than 12 months.** Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations. As of December 31, ~~2022~~ **2023** , we had **accumulated** federal and state **NOL** ~~net operating loss~~ carryforwards **of $ 238. 1 million and $ 212. 0 million, respectively. Of the $ 238. 1 million federal NOL carryforwards, $ 20. 3 million were generated before January 1, 2018** (" **pre- 2018 losses ") and may be carried forward 20 years. The remaining $ 217. 9 million can be carried forward indefinitely but can only be utilized to offset 80 % of taxable income. Of the $ 212. 0 million of state** NOL **carryforwards,** ~~" s) of~~ $ ~~282~~ - **28** ~~. 6 million and $ 238. 1 million, respectively, due to prior period losses, of which $ 242. 1 million and $ 23~~ . 4 million ~~, respectively,~~ can be carried forward indefinitely with the remaining NOLs expiring in various years through ~~2042~~ **2043** if not utilized. In general, under Section 382 of the Internal Revenue Code of 1986, as amended (the ~~"~~ **"** Code ~~"~~ **"**), a corporation that undergoes an " ownership change " is subject to limitations on its ability to utilize its pre- change NOLs to offset future taxable income. Our existing NOLs may be subject to limitations arising from previous ownership changes. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. We completed a Section 382 study for the period through ~~November 7~~ **December 31** , 2022 and determined that a Section 382 ownership change occurred on December 31, 2017 subjecting all pre- **2018** ~~Tax Act~~ losses to a utilization limitation ~~. We also have federal and state NOLs of $ 46. 8 million and $ 34. 4 million, respectively, from various acquisitions which are subject to limitations under Section 382. The Company completed a Section 382 study for xMatters, Inc., a wholly owned subsidiary of the Company that was acquired on May 7, 2021. As a result of the study, the Company determined that out of total federal NOLs of $ 64. 0 million, $ 0. 9 million of federal NOLs generated by xMatters, Inc. prior to May 7, 2021 would not be available for utilization due to ownership changes experienced by xMatters, Inc. Additionally, state NOLs generated in one state cannot be used to offset income generated in another state~~ . For these reasons, we may not be able to realize a tax benefit with respect to our NOLs, whether or not we attain profitability. Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations. Our effective tax rate could be adversely impacted by several factors, including: • Changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; • Changes in tax laws, tax treaties and regulations or the interpretation of them; • Changes to our assessment about the realizability of our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business; • The outcome of ~~current and~~ future tax audits, examinations or administrative appeals; • Changes in generally accepted accounting principles that affect the accounting for taxes; and • Limitations or adverse findings regarding our ability to do business in some jurisdictions. We may have additional tax liabilities. We are subject to income taxes in the U. S. and many foreign jurisdictions and are commonly audited by various tax authorities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Significant judgment is required in determining our worldwide provision for income taxes. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on our financial statements in the period or periods for which that determination is made. Tax laws or regulations could be enacted or changed and existing tax laws or regulations could be applied to us or to our customers in a manner that could increase the costs of our software solutions and adversely impact our operating results. The application of federal, state, local and foreign tax laws to services provided electronically is continuously evolving. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted or amended at any time, possibly with retroactive effect, and could be applied solely or disproportionately to services provided over the Internet. ~~Effective~~ **These enactments or amendments could adversely affect our sales activity due to the inherent cost increase the taxes would represent and could ultimately result in a negative impact on our operating results. For example,** for **certain research and experimental expenses incurred in** tax years beginning after December 31, 2021, ~~legislation commonly referred to as~~ the Tax Cuts and Jobs Act ~~eliminated~~ **requires** the ~~option to~~ **capitalization and amortization of such expenses over five years if incurred in the United States and fifteen years if incurred outside the United States, rather than deducting such expenses** currently ~~deduct~~ **. There have been legislative proposals to repeal or defer the** research and **experimental expense** ~~development expenditures and requires taxpayers to capitalize~~ **capitalization** ~~and amortize~~ **rules, including legislation recently passed by the** U. S. ~~-~~ **House of Representatives that would restore the deductibility of U. S.** based **research** and **experimental expenses but not** non- U. S. ~~- based~~ research and **experimental expenses; however** ~~development expenditures over five and fifteen years~~ , ~~respectively. Although~~ there **can be** ~~has been proposed legislation that would defer the capitalization requirement to later years, we have~~ no assurance that ~~the provision~~ **any such legislation** will **ultimately** be **enacted** ~~repealed or otherwise modified. These enactments or amendments could adversely affect our sales activity due to the inherent cost increase the taxes would represent and could ultimately result in a negative impact on our operating results~~ . In addition, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, modified or applied adversely to us, possibly with retroactive effect, which could require us or our customers to pay additional tax amounts, as well as require us or our customers to pay fines or penalties, as well as interest on past amounts. If we are unsuccessful in collecting such taxes due from our customers, we could be held liable for such costs, thereby adversely impacting our operating results. We may be subject to additional obligations to collect and remit sales tax and other taxes, and we may be subject to tax liability for past sales, which could harm our business. State, local and foreign jurisdictions have differing rules and regulations governing sales, use, value added and other taxes, and these rules and regulations are subject to varying interpretations that may change over time. Further, these jurisdictions' rules regarding tax nexus are complex and vary significantly. If one or more jurisdictions were to assert that we have failed to collect taxes for sales of applications that leverage our platform, we could face the possibility of tax assessments and audits. A successful assertion that we should be collecting additional sales, use, value added or other taxes in those jurisdictions where we have not historically done so and do not accrue for such taxes could result in substantial tax liabilities and related penalties for past sales or otherwise harm our business and operating results. ~~General Risks~~ Uncertain or weakened global economic conditions, or reductions in information technology spending, may adversely affect our industry, business and results of operations. Our overall performance depends on domestic and worldwide economic conditions, which may remain challenging for the foreseeable future. Financial developments seemingly unrelated to us or to our industry may adversely affect us and our planned international expansion. The U. S. economy and other key international economies have been impacted by inflation, rising interest rates, the ongoing conflict between Ukraine and Russia, **the evolving situation in the Middle East,** financial and credit market fluctuations, outbreaks of contagious diseases ~~(such as the COVID- 19 pandemic)~~, threatened sovereign defaults and ratings downgrades, falling demand for a variety of goods and services, restricted credit, threats to major multinational companies, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty. These conditions affect the rate of information technology spending and could adversely affect our customers' ability or willingness to purchase our applications and services, delay prospective customers' purchasing decisions, reduce the value or duration of their subscriptions or affect renewal rates, any of which could adversely affect our operating results. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery and the impacts worldwide, in the United States, or in our industry **. Natural disasters, climate change and other events beyond our control could harm our business. Natural disasters, climate change, or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, climate- related events, pandemics, terrorism, political unrest, geopolitical instability, war, such as the war in Ukraine, the evolving situation in the Middle East and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our solutions to our customers, could decrease demand for our solutions, and could cause us to incur substantial expense. Significant recovery time could be required to resume operations and our business could be harmed in the event of a major earthquake or other catastrophic event. Our insurance may not be sufficient to cover related losses or additional expenses that we may sustain. In addition to physical risks arising from changing climate and weather patterns, long- term effects of climate change on the global economy and the technology industry may negatively impact our business. We may also be subject to increased regulations, reporting requirements, standards, or expectations regarding the environmental impacts of our business, and failure to comply with such regulations, requirements, standards or expectations could adversely affect our reputation, business or financial performance** . We are subject to various laws and regulations pertaining to export controls and trade and economic sanctions, which can impact our business activities and subject us to liability for noncompliance. Our activities are subject to various U. S. and foreign export control, import, and sanctions laws and regulations, including the U. S. Department of Commerce' s Export Administration Regulations and the U. S. Department of the Treasury' s Office of Foreign Assets Control economic and trade sanctions programs (collectively, " Trade Controls "). Trade Controls can restrict our ability to provide certain products and services, including in connection with Anvil' s movement of assets between countries, and may from time to time may trigger regulatory licensing requirements. Our ability to secure requisite licensing is not guaranteed. Trade Controls are subject to frequent change, and compliance therewith can be time- and resource- intensive. Although we have policies and procedures in place to ensure compliance, we cannot guarantee full compliance with those protocols, or with applicable Trade Controls. Violations of these regimes can result in significant financial penalties, loss of licensing privileges, other administrative penalties, reputational harm, and adverse business impact. Litigation or legal proceedings could expose us to significant liabilities and have a negative impact on our reputation or business. For example, we are subject to putative securities class litigation and certain officers and directors have been named in a related derivative complaint, which will result in significant legal expense and could divert management attention and adversely impact our business. From time to time, we may be party to various claims and litigation proceedings. For example, in April 2022, a putative securities class action complaint was filed against us and certain of our officers and in June 2022, derivative complaints were filed against our officers and directors. These cases are still pending. See Note 19, Commitments and Contingencies, of the notes to consolidated financial statements for more information. We evaluate these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from our assessments and estimates. Even when not merited, the defense of these lawsuits will result in legal fees and may divert management' s attention, and we may incur significant expenses in defending these lawsuits. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these legal disputes may result in adverse monetary damages, penalties or injunctive relief against us, which could negatively impact our financial position, cash flows or results of operations. Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery. Our business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by man- made problems such as cyber incidents or terrorism. Our business and operations are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break- ins and similar events affecting us or third- party vendors we rely on, any of which could have a material adverse impact on our business, operating results and financial condition. Acts of terrorism, which may be targeted at metropolitan areas that have higher population density than rural areas, could cause disruptions in our or our customers' businesses or the economy as a whole. Our servers and those of our third- party vendors may also be vulnerable to cyber incidents, break- ins and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, loss of critical data or the unauthorized disclosure of confidential customer data. We or our customers may not have sufficient protection or recovery plans in place, and our business interruption insurance may be insufficient to compensate us for losses that may occur. As we rely heavily on our servers, computer and communications systems, that of third parties and the Internet to conduct our business and provide high quality customer service, such disruptions could have an adverse effect on our business, operating results and financial condition. Future changes in financial accounting standards may cause adverse, unexpected revenue fluctuations and affect our financial position or results of operations. New pronouncements and varying interpretations of pronouncements have occurred with frequency in the past and are expected to occur again in the future and as a result we may be required to make changes in our accounting policies. Those changes could adversely affect our reported revenues and expenses, future profitability or financial position. Compliance with new regulations regarding corporate governance and public disclosure may result in additional expenses. For example, in October 2021, the FASB issued ASU 2021- 08, Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. ASU 2021- 08 requires the recognition and measurement of contract assets and contract liabilities acquired in a business combination in accordance with ASC 606, Revenue from Contracts with Customers. Considerations to determine the amount of contract assets and contract liabilities to record at the acquisition date include the terms of the acquired contract, such as timing of payment, identification of each performance obligation in the contract and allocation of the contract transaction price to each identified performance obligation on a relative standalone selling price basis as of contract inception. **We adopted** ASU 2021- 08 **on January 1,** ~~is effective in the first quarter of~~ 2023 ~~. ASU 2021- 08 should be applied prospectively for acquisitions occurring~~ on **a prospective basis** ~~or after the effective date of the amendments~~ . **The adoption of** ~~We are currently assessing the impact~~ this standard ~~will~~ **did not** have **an impact** on our consolidated financial statements. The application of existing or future financial accounting standards, particularly those relating to the way we account for revenues and costs, could have a significant impact on our reported results. In addition, compliance with new regulations regarding corporate governance and public disclosure may result in additional expenses. As a result, we intend to invest all reasonably necessary resources to comply with evolving standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from business activities to compliance activities. Impairment of goodwill and other intangible assets would result in a decrease in our earnings. Current accounting rules provide that goodwill and other intangible assets with indefinite useful lives may not be amortized but instead must be tested for impairment at least annually. These rules also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We have substantial goodwill and other intangible assets, and we would be required to record a significant charge to earnings in our consolidated financial statements during the period in which any impairment of our goodwill or intangible assets is determined. Any impairment charges or changes to the estimated amortization periods would result in a decrease in our earnings. As our international operations expand, our exposure to the effects of fluctuations in currency exchange rates grows. While we have primarily transacted with customers and vendors in U. S. dollars historically, we expect to continue to expand the number of transactions with our customers that are denominated in foreign currencies in the future. Fluctuations in the value of the U. S. dollar and foreign currencies may make our subscriptions more expensive for international customers, which could harm our business. Additionally, we incur expenses for employee compensation and other operating expenses at our non- U. S. locations in the local currency for such locations. Fluctuations in the exchange rates between the U. S. dollar and other currencies could result in an increase to the U. S. dollar equivalent of such expenses. These fluctuations could cause our results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations. We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.