Risk Factors Comparison 2024-02-21 to 2023-02-21 Form: 10-K

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Our business, prospects, financial condition, operating results and the trading price of our common stock could be materially adversely affected by a variety of risks and uncertainties, including those described below, as well as other risks not currently known to us or that are currently considered immaterial. In assessing these risks, you should also refer to the other information contained in this Annual Report on Form 10- K, including our consolidated financial statements and related notes. Our principal risks include risks associated with: • ~~our ability to manage our rapid growth; •~~ the challenging macroeconomic environment **and challenges in the financial services industry** , including ~~its impact~~ **impacts** on our customers' purchasing decisions on products and services ~~which are more discretionary in nature~~ and the related demand for our solutions relative to our expectations **; • focusing on the financial services industry, and particular customer segments therein, and any geographies where we have general customer concentration and the potential for any economic downturn or consolidation in such industry, segments or geographies to adversely affect our business; • our ability to manage our growth** ; • the length, cost and unpredictability of our sales cycle; • the development of **our solutions** and changes to the market for our solutions compared to our expectations; • our ability to attract new customers and expand and renew existing customer relationships; • ~~focusing on the financial services industry and any geographies where we have customer concentration; •~~ managing challenges and costs associated with the implementation of a higher volume of or more complex configurations of our solutions; • customer acceptance of and satisfaction with our existing and new solutions; • the strength of our brand and reputation; • intense competition in the markets we serve and challenges we face as we enter new markets or new sections of existing markets; • integration of our solutions with and reliance by our solutions on third- party systems or services; • security and privacy breaches **involving** ~~and defects or errors in~~ our solutions; • defects or errors in our solutions, including failures associated with ~~payment transactions~~ **transaction processing or interest, principal or balance calculations** ; • defects ~~or~~ **,** failures **or interruptions** in third- party services or solutions **, including data centers and third- party hosting services** ; • customer training and customer support; • evolving technological requirements ~~and~~ **,** enhancements and additions to our solution offerings **, including artificial intelligence** ; • our sales and marketing capabilities, including partner relationships; • dependency on our management team and other key employees and recruiting and retaining talent; • increased costs associated with managing growth and the challenges associated with labor shortages, turnover, labor cost increases and ~~extreme~~ competition for talent ~~; • the COVID- 19 pandemic and its residual impact~~ ; • international operations; • mergers and acquisitions ~~; • our~~ **or strategic investments** ~~convertible debt obligations and our ability to secure sufficient additional financing when desired or needed on favorable terms~~ ; • our revenue recognition method and the relative impacts of changes in subscription rates on implementation costs; • quarterly fluctuations in our operating results relative to our expectations and guidance and the accuracy of our forecasts and the market data we use; • our history of net operating losses and **potential limitations on** our ability to utilize our net operating loss carryforwards; • the unpredictability of customer subscription renewals or **solution** adoption; • our profit margins and the unpredictability of End- User adoption and usage, and customer implementation and support requirements; • the reliability of our forecasting ~~; • our ability to utilize our net operating loss carry forwards~~ ; • sales taxes on our solutions; • changes in financial accounting standards or practices; • maintaining proper and effective internal controls and producing accurate and timely financial statements; • regulations applicable to us, our customers and our solutions, including evolving regulation of AI, machine learning and the receipt, collection, storage, processing and transfer of data, and the impacts of any violation of these regulations; • litigation or threats of litigation; • protecting our intellectual property; •" open **-** source" software in our solutions; • risks associated with environmental, social and governance, or ESG, disclosures and evolving ESG disclosure requirements; • expenses and administrative burdens as a public company; • the dilutive effects of future sales, or anticipation of future sales, of our common stock **and the resulting impact on the price of our common stock** ; • unfavorable or misleading research by industry analysts; • our stock price volatility and historical policy of no dividends; • anti- takeover provisions in our charter documents and Delaware law; • our **convertible debt obligations and our ability to secure sufficient additional financing when desired or needed on favorable terms; • our** ability to obtain additional financing and dilution to our stockholders resulting from raising capital or using equity for acquisitions; and • our convertible notes and related ~~hedge, warrant and~~ capped call transactions and the related accounting treatment **.** Risks Related to our Operations, Industry and the Markets We Serve **.** Unfavorable conditions **in** ~~or~~ **our** ~~uncertainty in the financial services~~ industry or the global economy could limit our ability to grow our business and negatively affect our operating results.Our operating results may vary based on the impact of changes in our industry or the global economy on us or our customers **from industry** and ~~their End Users~~ **economic- driven changes** .General macroeconomic ~~and geopolitical~~ conditions **,** such as ~~inflation,higher interest rates,~~ a recession or economic slowdown in the United States or internationally ~~,the conflicts in and around Ukraine,the Middle East and other parts of the world,or political uncertainty or discord,including related to the 2024 U.S.presidential election~~ ,could adversely affect demand for our solutions and make it difficult to accurately forecast our results and plan our future business activities. **For example,as a result of the impact of COVID- 19,customers delayed and deferred purchasing decisions,and for a period of time,there was a deterioration in near- term demand for net new opportunities.** The revenue growth and potential profitability of our business depend on demand for enterprise SaaS solutions and services generally and for financial services solutions in particular.Weak ~~or deteriorating~~ economic conditions ~~can~~ affect the ~~amount and growth~~ rate of **financial services** information technology spending ~~in the financial services industry~~ and could adversely affect our current or prospective customers' ability or willingness to purchase our solutions, **delay purchasing decisions,reduce the**

value or duration of their subscriptions,or affect subscription renewal rates,all of which could adversely affect our operating results.Prolonged economic uncertainties relating to the residual impacts of COVID- 19 could limit our ability to grow our business and negatively affect our operating results.If economic conditions deteriorate,our customers and prospective customers may elect to decrease their information technology ~~spending~~ budgets, ~~delay purchasing decisions,reduce the value or duration of their subscriptions,or affect subscription renewal rates,all of~~ which ~~could~~ **would** ~~adversely~~ limit our ability to grow our business and negatively affect our operating results. ~~Economic uncertainties,whether relating to general macroeconomic and geopolitical conditions or challenges in the financial services industry,including specifically related to discretionary spending,have the ability to limit the growth of our business and negatively affect our operating results.~~ Uncertain economic ~~and global~~ conditions may also adversely affect third parties with which we have entered into relationships and upon which we depend in order to grow our business,such as technology vendors and public cloud providers.As a result,we may be unable to continue to grow ~~or~~ **in the event of future and sustained economic slowdowns** We **derive substantially all of our revenues from customers in the financial services industry, and in particular RCFIs, and any economic downturn or consolidation in the financial services industry, or unfavorable economic conditions affecting regions in which a significant portion of our customers are concentrated or segments of potential customers on which we focus, could harm our business. Recent economic pressures from higher interest rates, inflation, bank failures and related challenges in the financial services industry and slowdowns in the economy, financial markets and credit markets** have **had** ~~,results of operations~~ and ~~financial condition.Recent economic pressures from inflation,rising interest rates,or a slowdown in the economy,financial markets and credit markets have or~~ could **continue to** have an impact on account ~~holder~~ **holders** or End ~~User~~ **Users** ~~usage~~ of our solutions and on our customers' prospects and our business sales cycles,our prospects' and customers' spending decisions ~~,including for some of our non- implementation services which are more discretionary in nature,which has and may continue to impact the timing of purchasing decisions and demand for our solutions~~ . ~~Any downturn~~ **Downturns** in the financial services industry ~~or~~ **and** unfavorable economic conditions affecting the regions in which our customers or prospective customers are concentrated or particular segments of customers or prospective customers on which we focus,including the **Alt- FI and** FinTech ~~sector~~ **sectors** , **have and** may **continue to** cause our customers or prospective customers to delay or reduce their spending on solutions such as ours ~~,~~ **or** seek to terminate or renegotiate their contracts with us **,including in either case as a result of insolvency** or ~~fail~~ **bankruptcy.A significant portion of our revenues is derived from financial institutions,and in particular RCFIs,and we have been and may continue to be impacted by challenges in the macroeconomic environment and financial services industry.Some financial institutions have in the past** experienced ~~rapid growth in~~ **significant pressure due to economic uncertainty, liquidity concerns and increased regulation. In** recent ~~periods~~ **years, many financial institutions have merged or been acquired,** and **periodically during downturns a limited number of financial institutions have failed. Moreover, recent bank failures have created market disruption and uncertainty for the financial services industry, in particular among RCFIs. To date, a substantial majority of our revenues continue to result from sales of our digital banking platform to U. S. based RCFIs. The actions taken by such institutions to address potential liquidity concerns have resulted in certain institutions incurring substantial costs that have negatively impacted, and may continue to negatively impact, their profitability and could lead to further market instability or bank failures. The current market conditions, including deteriorating performance of loan portfolios, capital constraints due to more stringent reserve requirements, and elevated levels of direct losses and charge- offs for some financial institutions, have also caused and may continue to cause financial institutions to reduce lending activity as they seek to increase their reserves to maintain better liquidity. Additionally, banking regulators are giving commercial real estate lending greater scrutiny and may require financial institutions with higher levels of commercial real estate loans to implement improved underwriting, internal controls, risk management policies, portfolio stress testing and may also require them to hold higher reserves. While the U. S. government has taken measures to strengthen public confidence in the banking system and protect depositors, such steps may be insufficient to resolve the volatility in the financial markets and reduce the risk of additional bank failures. It is possible these conditions may persist, deteriorate or reoccur. And longer term, failures and consolidations are likely to continue, and there are very few new financial institutions being created. Further,** if **our** customers merge with or are acquired by other entities that have in- house developed solutions or that are not our customers or use fewer of our solutions,our customers may discontinue,reduce or change the terms of their use of our solutions.It is also possible that the larger financial institutions that result from mergers or consolidations could have greater leverage in negotiating terms with us or could decide to replace some or all of our solutions.Financial institutions increasingly face competition from non- depository institutions or other innovative products or emerging technologies,such as cryptocurrencies,which may reduce the number of End Users or transactions using their more traditional financial services.Any of these developments could have an adverse effect on our business,results of operations and financial condition. **If** ~~Recent economic~~ we fail to manage our growth effectively or experience ~~a~~ **an unexpected** decline in our growth rate, we may be unable to execute our business ~~plan~~ **strategy** , maintain high levels of service and customer satisfaction or adequately address competitive challenges, and our financial performance **and operating results** may be adversely affected. Since our inception, our business has ~~rapidly grown~~ **experienced high growth** , which has resulted in large increases in our number of employees, expansion of the types of solutions we sell and the customers we sell them to, expansion to international locations and international customers, expansion of our infrastructure, enhancement of our internal systems and other significant changes and additional complexities. **We** ~~Our revenues increased from $ 402. 8 million for the twelve months ended December 31, 2020 to $ 498. 7 million for the twelve months ended December 31, 2021 and $ 565. 7 million for the twelve months ended December 31, 2022. While we~~ intend to further expand our overall business, customer base, and number of employees ~~, our recent growth rate is not necessarily indicative of the growth that we will achieve in the future~~ . The growth in our business ~~generally~~ , our management of a growing **international** workforce and ~~international~~ customer base and the stress of such growth on our internal controls and systems **generally** ~~require~~ **requires** substantial management effort, infrastructure and operational capabilities. To support our growth, we must continue to improve our management **' s** resources and ~~our~~ operational and financial controls and systems, and these improvements may increase our expenses more than anticipated and result in a more complex business, and our failure to timely and effectively implement these improvements could have an adverse effect on our operations and financial results. In addition, ~~our increased focus on~~ selling our solutions to larger customers and the increased breadth of our solution offerings and the types of customers we serve may result in greater uncertainty and variability in our business and sales results. We also will have to anticipate the necessary expansion of our relationship management, implementation, customer service and other personnel to support our growth and ~~achieve~~ **maintain** high levels of customer service and satisfaction, particularly as we sell to larger customers that have heightened levels of complexity in their hardware, software and network infrastructure needs and as we sell a broader range of solutions to a broader **and larger** set of customers. Our success will depend on our ability to plan for and manage this growth effectively and to address challenges to our growth model resulting from rapid changes in economic conditions. If we fail to anticipate and manage our growth or are unable to provide high levels of system performance and customer service, our reputation, as well as our business, results of operations and financial condition, could be harmed . Unfavorable conditions in our industry or...... event of future and sustained economic slowdowns . 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 **, implementation timelines** and benefits of our solutions **and services** . Prospective customers, especially larger financial services providers, often undertake a prolonged evaluation process, which typically involves not only our solutions, but also those of our competitors and lasts from six 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. It is also difficult to predict the level and timing of sales opportunities that come from our ~~referral~~ partners **and resellers** . Events affecting our customers' businesses have and may continue to occur during the sales cycle that could ~~affect~~ **impact** the size or timing of a purchase, contributing to more unpredictability in our business and operating results. Such events have and may continue to cause our customers or partners to delay, reduce, or even cancel planned digital financial services spending and impact our business and operations. **In recent periods** ~~During the second half of 2022~~ , we **have** observed a decline in customer demand relative to our expectations ~~earlier in the year~~ for certain discretionary aspects of our solutions, namely professional services, which we believe may be related to ~~the~~ challenging macroeconomic ~~environment~~ **conditions** . **We have** ~~During the second half of 2022, we~~ also observed a decline in transactional **and other** revenue from our Helix and payment solutions, resulting from decreased usage **. We expect these trends to continue in 2024, or until the macroeconomic conditions and the health of the financial services industry improves** . Additionally, we may experience challenges associated with accurately predicting the impacts of any macroeconomic downturn **, or challenges in the financial services industry,** on our customers and their End Users **. In** ~~, including in~~ particular **,** the impacts of any downturn on **Alt- FIs and** FinTechs and our arrangements with them **are difficult to accurately predict** , as **Alt- FIs and FinTechs may have particular vulnerabilities to a macroeconomic downturn, and** our arrangements with FinTechs represent a more ~~complex~~ **variable** revenue model for us which may be more vulnerable to an economic downturn than our arrangements with financial institutions **where the majority of recurring revenue is associated with contractual commitments** . If customers or partners significantly reduce their spending with us or significantly delay or fail to make payments to us, our business, results of operations, and financial condition would be materially adversely affected, and as a result of our sales cycle, subscription model and our revenue recognition policies, the effects of such reductions or delays on our results of operations may not be fully reflected for some time. If the market for our solutions develops more slowly than we expect or changes in a way that we fail to anticipate, our sales would suffer and our operating results would be harmed. The market for financial services has been dramatically changing, and we do not know whether financial institutions and other financial services providers will adopt or continue to adopt our existing and new solutions or whether the market will change in ways that we do not anticipate. Many financial service providers have invested substantial personnel and financial resources in legacy software, and these institutions may be reluctant or unwilling to convert from their existing systems to our solutions. For financial service providers, switching from one provider of solutions (or from an internally developed legacy system) to a new provider is a significant endeavor. Many potential customers believe switching providers involves too many potential disadvantages such as disruption of business operations, loss of accustomed functionality, and increased costs (including conversion and transition costs). Furthermore, some financial institutions may be reluctant or unwilling to use a cloud- based solution over concerns such as the security of their data and reliability of the delivery model. These concerns or other considerations may cause financial institutions to choose not to adopt cloud- based solutions such as ours or to adopt alternative solutions, either of which ~~would~~ **could** harm our operating results. We attempt to overcome these concerns through value enhancing strategies such as a flexible integration process, continued investment in the enhanced functionality and features of our solutions, and investing in new innovative solutions. If financial service providers are unwilling to transition from their current systems, the demand for our solutions and related services could decline and adversely affect our business, operating results and financial condition. Our future success also depends on our ability to sell new solutions and enhanced solutions to our current and new customers. As we create new solutions and enhance our existing solutions to support new customer types, technologies and devices, these solutions and related services may not be attractive to customers. If the market for our solutions does not continue to evolve in the manner in which we believe it will or if our ~~new~~ **newer** solutions ~~, in particular our Q2 Innovation Studio and Helix offerings,~~ are not adopted by our current and prospective customers, our future business prospects may be negatively impacted. In addition, promoting and selling ~~these~~ new and enhanced solutions may require increasingly costly sales and marketing efforts, and if customers choose not to adopt these solutions, our business could suffer. If we are unable to attract new customers, continue to broaden our existing customers' use of our solutions or renew existing ~~customer~~ relationships **with customers or technology partners** , our business, financial condition and results of operations could be materially and adversely affected. To increase our revenues, we will need to continue to attract new customers and **encourage** ~~succeed in having our~~ current customers **to** expand the ~~use~~ **utilization** of **our solutions** ~~our~~ **or agree to price increases associated with existing** solutions. In addition, for us to maintain or improve our results of operations, it is important that our customers renew their subscriptions with us on similar or more favorable terms to us when their existing subscription term expires. Our revenue growth rates may decline or fluctuate as a result of a number of factors, including customer spending levels, customer dissatisfaction with our solutions, **customers failing to meet their End User growth projections,** decreases in the number of customers, decreases in usage of our solutions by End Users, changes in the type and size of our customers, pricing changes, competitive conditions, the loss of our customers to other competitors and general economic conditions. We cannot assure you that our current customers will renew or expand their use of our solutions. If we are unable to attract new customers or retain or attract new business from current customers **or technology partners** , our business, financial condition and results of operations may be materially and adversely affected . We derive substantially all of our...... renegotiate their contracts with us or fail . We may encounter implementation challenges, particularly as the number, size, type and complexity of customers that we serve increase and change, and we may have to delay revenue recognition for some complex engagements, which would harm our business and operating results. We have and may continue to face unexpected implementation challenges related to the complexity of our customers ~~’~~**'** implementation and integration requirements, particularly implementations for larger customers with more complex requirements in their hardware, software and network infrastructure needs. Our implementation expenses increase when customers have unexpected data, hardware or software technology challenges, or complex or unanticipated business or regulatory requirements. In addition, our customers in some cases may require complex acceptance testing related to the implementation of our solutions. Implementations often involve integration with or conversion of customers off of systems and services of third parties over which we do not have control. **We may also face implementation challenges if we fail to accurately forecast or provision the necessary time and resources, including qualified talent, particularly following periods of increased sales success or restructurings impacting our implementation teams.** Implementation delays ~~also~~ may require us to delay revenue recognition under the related customer agreement longer than expected. Further, because we do not fully control our customers’ implementation schedules, if our customers do not allocate the internal resources necessary to meet implementation timelines or if there are unanticipated implementation delays or difficulties, our revenue recognition may be delayed. Losses of End Users or any difficulties or longer implementation processes, including risks related to the timing and predictability of sales of our solutions, could cause customers to delay or forgo future purchases of our solutions ~~, which would adversely affect the timing of bookings, which would have an adverse impact on our revenue and financials performance~~ . Our business could be adversely affected if our customers are not satisfied with our solutions, particularly as we introduce new products and solutions, or our systems, infrastructure and resources fail to meet their needs. Our business depends on our ability to satisfy our customers and meet their **business** needs. Our customers use a variety of network infrastructure, hardware and software, which typically increases in complexity the larger the customer is, and our solutions must support the specific configuration of our customers' existing systems, including in many cases the solutions of third- party providers. If our solutions do not currently support a customer' s required data format or appropriately integrate with a customer' s applications and infrastructure, then we must configure our solutions to do so, which could negatively affect the performance of our systems and increase our expenses and the time it takes to implement our solutions. Any failure of or delays in our systems or resources could cause service interruptions or impaired system performance. Some of our customer agreements require us to issue credits for downtime in excess of certain thresholds, and in some instances give our customers the ability to terminate the agreements in the event of significant amounts of downtime, or if we experience other defects with our solutions. If sustained or repeated, these performance issues could reduce the attractiveness of our solutions to new and existing customers, cause us to lose customers, and lower renewal rates ~~by~~ **for** existing customers, each of which could adversely affect our revenue and reputation. In addition, negative publicity resulting from issues related to our customer relationships **or technology partners** , regardless of accuracy, may damage our business by adversely affecting our ability to attract new customers and maintain and expand our relationships with existing customers. If the use of our solutions increases, or if our customers demand more advanced features from our solutions, we will need to devote additional resources to improving our solutions, and we also may need to expand our technical infrastructure and related resources at a more rapid pace than we have in the past. This would involve spending substantial amounts to purchase or lease data center capacity and equipment, subscribe to new or additional third- party hosting services, upgrade our technology and infrastructure or introduce new or enhanced solutions. It takes a significant amount of time to plan, develop and test changes to our solutions and related infrastructure and resources, and we may not be able to accurately forecast demand or predict the results we will realize from such improvements. There are inherent risks associated with changing, upgrading, improving and expanding our technical infrastructure and related resources. Any failure of our solutions to operate effectively with future infrastructure and technologies could reduce the demand for our solutions, resulting in customer dissatisfaction and harm to our business. Also, any expansion of our infrastructure and related resources would likely require that we appropriately scale our internal business systems and services organization, including implementation and customer support services, to serve our growing customer base. If we are unable to respond to these changes or fully and effectively implement them in a cost- effective and timely manner, our service may become ineffective, we may lose customers, and our operating results may be negatively impacted. Growth of our business depends on a strong brand and any failure to maintain, protect and enhance our brand could hurt our ability to retain or expand our base of customers. We believe that a strong brand is necessary to continue to attract and retain customers. We need to maintain, protect and enhance our brand in order to expand our customer base. This depends largely on the effectiveness of our marketing efforts, our ability to provide reliable solutions that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers’ trust, our ability to **implement and support our solutions, our ability to** continue to develop new functionality and use cases, and our ability to successfully differentiate our solutions and their capabilities from competitive products and services, which we may not be able to do effectively. While we may choose to engage in a broader marketing campaign to further promote our brand, this effort may not be successful or cost effective. Our brand promotion activities may not generate customer awareness or yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to maintain or enhance customer awareness in a cost- effective manner, our brand and our business, financial condition and results of operations could be materially and adversely affected. Our corporate reputation is susceptible to damage by actions or statements made by adversaries in legal proceedings, current or former employees or customers, competitors and vendors **, technology partners** , as well as members of the investment community and the media. There is a risk that negative information about our company, even if based on false rumor or misunderstanding, could adversely affect our business. In particular, damage to our reputation could be difficult and time- consuming to repair, could make potential or existing customers reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our employee recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our brand name and could reduce investor confidence in us and materially and adversely affect our business, financial condition and results of operations. The markets in which we participate are ~~intensely~~ competitive, and pricing pressure, new technologies or other competitive dynamics could adversely affect our business and operating results. We currently compete with providers of technology and services in the financial services industry, including point system vendors, core processing vendors and systems internally developed by financial services providers. With respect to our digital banking platform, we have several point solution competitors, including NCR **Voyix** Corporation, or NCR **Voyix** , Alkami Technology, Inc. and **Apiture** ~~Lumin Digital~~ in the online, consumer and **SMB** ~~small business~~ banking space and Finastra, ACI Worldwide, Inc. and Bottomline Technologies (de), Inc. in the commercial banking space. We also compete with core processing vendors that provide systems and services such as Fiserv, Inc., Jack Henry and Associates, Inc. and Fidelity National Information Services, Inc., or FIS. With respect to our **digital** lending ~~platform~~ **and relationship pricing solutions** , we compete against several point system competitors, including Abrigo, Baker Hill Solutions, LLC, ~~Fair Isaac Corporation,~~ nCino, Inc., Finastra ~~, Moody' s Analytics, Inc.~~ , Brilliance Financial Technology ~~, Oracle Corporation~~ , Temenos AG, and core processing vendors, including FIS and Fiserv. With respect to our Helix solution, we primarily compete with Galileo Financial Technologies, LLC, Marqeta, Inc. and Green Dot Corporation **in the BaaS and embedded finance markets, and we compete with Finxact, a Fiserv company, Nymbus, Inc** . ~~Many~~ **and Thought Machine Group Limited in the cloud- core markets. Some** of our competitors have significantly more financial, technical, marketing and other resources than we have, may devote greater resources to the promotion, sale and support of their systems than we can, have more extensive customer bases and broader customer relationships than we have and have longer operating histories and greater name recognition than we have. In addition, many of our competitors expend more funds on research and development. We also may face competition from new companies entering our markets, which may include large established businesses that decide to develop, market or resell competitive solutions, acquire one of our competitors or form a strategic alliance with one of our competitors. In addition, new companies entering our markets may choose to offer competitive solutions at little or no additional cost to the customer by bundling them with their existing applications, including adjacent financial services technologies and core processing software. New entrants to the markets we serve might also include financial services providers developing financial services solutions and other technologies, including solutions built using competing BaaS solutions or open API platforms. Competition from these new entrants may make our business more difficult and adversely affect our results. If we are unable to compete in this environment, sales and renewals of our solutions could decline and adversely affect our business, operating results and financial condition. With the introduction of new technologies and potential new entrants into the markets for our solutions, ~~we expect~~ competition ~~to~~ **could** intensify in the future, which could harm our ability to increase sales and achieve profitability. In addition, we may face increased competition in our existing markets as we enter new markets or sections of a market with larger or different customers and new solutions. Our industry has also experienced recent ~~consolidation~~ **consolidations** which we believe may continue. Any further consolidation our industry experiences could lead to increased competition and result in pricing pressure or loss of market share, either of which could have a material adverse effect on our business, limit our growth prospects or reduce our revenues. If we are unable to effectively integrate our solutions with other systems or services used by our customers and prospective customers, including if we are forced to discontinue integration due to security or quality concerns with a third- party system or service, or if there are performance issues with such third- party systems or services, our solutions will not operate effectively, our operations will be adversely affected and our reputation may be harmed. The functionality of our solutions depends on our ability to integrate with other third- party systems and services used by our customers, including core processing software and, in the case of our Helix solutions, banking services. Certain providers of these third- party systems or services also offer solutions that are competitive with our solutions and may have an advantage over us with customers using their software by having better ability to integrate with their software and by being able to bundle their competitive products with other applications used by our customers and prospective customers at favorable pricing. We do not have formal arrangements with many of these third- party providers regarding our access to their APIs to enable these customer integrations. We also resell numerous third- party services and market integrations to **many** ~~a large number of~~ third- party services, including ~~third- party~~ services and integrations offered through our Q2 Innovation Studio solution. Our business and reputation may be harmed if any such third- party provider: • changes the features or functionality of **, or fails to make updates to** its services, applications and platforms in a manner adverse to us; • discontinues or limits our solutions' access to its systems or services; • suffers a security incident or other incident **, including one** that requires us to discontinue integration with its systems **,** or services or results in a compromise of our systems or services; • experiences staffing shortages or other operational challenges, including as a result of ~~the~~ challenging macroeconomic ~~environment~~ **conditions** , which interferes with their ability to implement or adequately support an integration with our solutions; • ceases to operate; • terminates or does not allow us to renew or replace our existing contractual relationships on the same or better terms; • modifies its terms of service or other policies, including fees charged to, or other restrictions on, us or our customers; or • establishes more favorable relationships with one or more of our competitors ~~,~~ or acquires one or more of our competitors and offers competing services. Such events or circumstances could delay, limit or prevent us from integrating our solutions with these third- party systems or services, which could impair the functionality of our solutions, prohibit the use of our solutions or limit our ability to sell our solutions to customers, each of which could harm our business. If we are unable to integrate with such third- party systems or services **because** ~~as a result~~ of changes to or restricted access to the systems or services by such third parties during the terms of existing agreements with customers using such third- party systems or services, we may not be able to meet our contractual obligations to customers, which may result in disputes with customers and harm to our business. In addition, if any such third- party providers experience an outage, our solutions integrated with such systems or services ~~will~~ **may** not function properly or at all, and our customers may be dissatisfied with our solutions. If the systems or services of such third-party providers have performance or other problems, such issues may reflect poorly on us and the adoption and renewal of our solutions and our business may be harmed. Although we or our customers may be able to switch to alternative technologies if a provider' s systems or services were unreliable or if a provider was to limit ~~such~~ customer ~~' s~~ access and utilization of its data or the provider' s functionality, our business could nevertheless be harmed due to the risk that our customers could reduce their use of our solutions. **Our business faces significant risks from diverse security threats.** If our security measures or the security measures of our customers or third- party providers on whom we rely are compromised ~~or~~ **,** unauthorized access to our systems or customer data is otherwise obtained ~~, our~~ **or financial transaction fraud involving our solutions goes undetected, our systems and** solutions may not be secure or may be perceived as not being secure **or adequate** , and customers may curtail or cease their use of our solutions, our reputation may be harmed, and we may incur significant liabilities **, regulatory enforcement, fines or other consequences** . Certain elements of our solutions process and store personally identifiable information, or PII, such as banking and personal information of our customers and their End Users, and we also ~~may~~ **regularly** have access to PII during various stages of the implementation process or during the course of providing customer support. Furthermore, as we develop additional functionality, we may gain greater access to PII. We maintain policies, procedures and technological safeguards designed to protect the confidentiality, integrity, availability and privacy of this information and our information technology systems. However, we cannot entirely eliminate the risk of improper or unauthorized access to or disclosure of PII or other security and privacy events that impact the integrity, availability or privacy of PII or our systems and operations, or the related costs we may incur to mitigate the consequences from such events. Further, given the flexibility and complexity of our **solutions, including an increasing number of integrations to third party** solutions, there is a risk that configurations of, or defects in, the solutions or errors in **their development or** implementation could create vulnerabilities to security and privacy breaches. There ~~may~~ **have been and will continue to** be unlawful attempts to disrupt or gain access to our information technology systems or the PII or other data of our customers or their End Users ~~that may~~ **, and any successful attempts could** disrupt our or our customers' operations. In addition, because we leverage third- party providers, including cloud, software, data center and other critical technology vendors to develop and deliver our solutions to our customers and their End Users, we rely heavily on the data security technology practices and policies adopted by these third- party providers **, and we may not be able to identify vulnerabilities in such third- party practices and policies** . A vulnerability in a third- party provider' s software or systems, a failure of our third- party providers' safeguards, policies, procedures or overall business operations or a breach of a third- party provider' s software or systems could result in the compromise of the confidentiality, integrity or availability of our systems or the data housed in our solutions. Our security measures and the security measures of our customers or third- party providers on whom we rely may not be sufficient to prevent our systems from being compromised as a result of third- party action, the error or intentional misconduct of employees, customers or their End Users, malfeasance or stolen or fraudulently obtained login credentials. Security incidents can result in unauthorized access to, loss of or unauthorized disclosure of confidential information, litigation, **regulatory enforcement, fines,** indemnity obligations and other possible liabilities, as well as negative publicity, which could damage our reputation, impair our sales, harm our business and result in increased volatility in our stock price. **Our business and operations, as well as those of our customers and third- party providers, are continuously exposed to a broad range of internal and external threats such as** ~~Cyber~~ **cyber** - attacks, ransomware attacks, account take- over attacks, **hijacking, organized cybercrime, financial transaction fraud,** fraudulent representations **, malicious code (such as viruses and worms), phishing, employee errors or omissions, employee theft or misuse, denial- of- service attacks** and other malicious Internet- based activity **. These internal and external threats** continue to increase and evolve and financial services providers, their End Users, and technology providers are often targets of such **threats or** attacks. In addition to traditional computer" hackers," ~~malicious code (such as viruses and worms), phishing, employee theft or misuse and denial- of- service attacks,~~ sophisticated criminal networks as well as nation- state and nation- state supported actors now engage in attacks, including advanced persistent threat intrusions. Current or future criminal capabilities, **including increased threats from the use of artificial intelligence,** discovery of existing or new vulnerabilities, and attempts to exploit those vulnerabilities or other developments, may compromise or breach our systems or solutions **, or use them to facilitate financial transaction fraud** . In addition, third parties may attempt to fraudulently induce our employees or the employees of our customers or third- party providers into disclosing sensitive information such as usernames, passwords or other information to gain access to our confidential or proprietary information or the data of our customers and their End Users. A party who is able to compromise the security of our facilities could cause interruptions or malfunctions in our operations. We may be unable to anticipate or prevent techniques used to obtain unauthorized access or sabotage systems because they change frequently and generally are not detected until after an incident has occurred. As we increase our customer base and our brand becomes more widely known and recognized, we may become more of a target for third parties seeking to compromise our security systems or gain unauthorized access to the data of our customers and their End Users. In addition, there may be a heightened risk of state- sponsored cyberattacks or cyber fraud during periods of geopolitical uncertainty, as cybercriminals attempt to profit from the disruption, given increased online banking, e- commerce and other online activity. Additionally, there is an increased risk that we may experience cybersecurity- related events **,** such **as** phishing attacks **,** and other security challenges as a result of some of our employees and our service providers working remotely from non- corporate managed networks. Increased risks associated with cyberattacks, data and privacy breaches and breaches of security measures within our solutions, systems and infrastructure or the products, systems and infrastructure of **our customers or** third parties upon which we rely and the resultant costs and liabilities may cause failure or inability to meet our customers' expectations with respect to security and confidentiality and could harm our business and seriously damage our reputation and affect our ability to retain customers and attract new business **. Our systems and operations are also subject to inherent internal threats from employees or contractors such as unauthorized information access or disclosure and asset misappropriation, including as a result of inadequate access management. While we endeavor to counter these threats through processes designed to identify and monitor potentially risky behaviors, including data loss prevention and access rights management protocols, no risk mitigation strategy can entirely eliminate the risks posed by internal threats. As cyber threats have evolved and continue to evolve, vulnerabilities in our solutions and information technology systems have been and will in the future be detected, and we expect to expend additional resources to continue to modify or enhance our layers of defense to remediate such vulnerabilities. System enhancements and updates create risks associated with implementing new systems and integrating them with existing ones, including risks associated with the effectiveness of our, our customers' and our third- party providers' software development lifecycles. Due to the complexity and interconnectedness of our systems and solutions, the process of enhancing our layers of defense, including addressing hardware- based vulnerabilities, can itself create a risk of systems disruptions and security issues. Our and our customers' and third- party providers' ability and willingness to deliver patches and updates to mitigate vulnerabilities in a timely manner can introduce additional risks, particularly when a vulnerability is being actively exploited by threat actors. Customer utilization of older versions of our solutions can increase the risk and complexity of security vulnerabilities and the resources and time required to address them** . Federal, state and other regulations may require us to notify customers and their End Users of data security incidents involving certain types of personal data. Security and privacy compromises experienced by our competitors, by our customers or by us may lead to public disclosures and widespread negative publicity. Any security and privacy compromise in our industry, whether actual or perceived, could 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 action or liability, which could materially and adversely affect our business and operating results. In addition, some of our customers contractually require notification of any data security and privacy compromise and include representations and warranties that our solutions comply with certain regulations related to data security and privacy. Although our customer agreements typically include limitations on our potential liability, there can be no assurance that such limitations of liability would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. We also cannot be sure that our existing general liability insurance coverage and coverage for errors or omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more claims, or that our insurers will not deny or attempt to deny coverage as to any future claim. The successful assertion of one or more claims against us, the inadequacy of or denial of coverage under our insurance policies, litigation to pursue claims under our policies or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could have a material adverse effect on our business, financial condition and results of operations. Defects or errors in our solutions, including failures associated with ~~payment transactions~~ **transaction processing or interest, principal or balance calculations** , could harm our reputation, result in significant costs to us, impair our ability to sell our solutions and subject us to substantial liability. Our solutions are inherently complex and **from time- to- time have had and** may **in the future** contain defects or errors, particularly when first introduced or as new functionality is released. The volume and dollar amount of payment transactions **and interest, principal or balance amounts** that we, our customers and our third- party partners process **and calculate** is significant and continues to grow. Transactions facilitated by us, our customers and our third- party partners include debit card, credit card, electronic bill payment transactions, Automated Clearing House, or ACH, payments, real- time payments through faster payment networks, transactions in cryptocurrencies and check clearing that support consumers, financial institutions and other businesses. ~~Despite extensive testing~~ **These transactions often involve significant End User payments** , **the timely processing of which is crucial for the End Users. Certain of our solutions also calculate dollar amounts, including interest, principal, remaining balance and payment amounts on loans, and in certain circumstances our solutions serve as the system of record on which our customers rely to instruct and inform End Users of amounts they must pay and their associated remaining balances. Additionally, certain of these solutions are designed to be configurable by our customers and their ability to perform as intended can be affected by the manner in which our customers use or configure the solution.** ~~from~~ **From** time- to- time we ~~have discovered~~ -- **discover, and may in the future discover,** defects or errors in our solutions or the solutions of our third- party partners **, as well as unanticipated processing errors resulting from customer use or behavior** . In addition, due to changes in regulatory requirements relating to our customers or to technology providers to financial services providers like us, we may discover deficiencies in our or our third **-** party partners' software processes related to those requirements. Material performance problems or defects in our solutions might arise in the future. ~~Any such~~ **Such** errors, defects, other performance problems **,** or disruptions in service to provide bug fixes or upgrades, whether in connection with day- to- day operations or otherwise, ~~could~~ **can** be costly **and complicated** for us to remedy, **cause** damage **to** our customers' businesses and **to their End Users and** harm our reputation **. Additionally, certain of our solutions are hosted by our customers or third- party resellers, resulting in our inability to directly access and monitor the data being processed by and our customers' use of such solutions. When any such solutions being hosted by**

our customers or third- party resellers encounter errors, defects or other performance problems, it can be difficult and costly to assess the issues properly and apply fixes, including because we must rely on the assistance and records of our customers or third- party resellers, as applicable . If the continuity of operations, integrity of processing, or ability to detect or prevent fraudulent payments were compromised in connection with payments transactions, we could suffer financial as well as reputational loss. In addition, if we have any such errors, defects or other performance problems, our customers could seek to terminate their agreements, elect not to renew their subscriptions, delay or withhold payment or make claims against us. Any of these actions could result in **liability,** lost business, increased insurance costs, difficulty in collecting our accounts receivable, costly litigation ~~and~~ **, increased regulatory oversight, fines or penalties,** adverse publicity **and brand damage** . Such errors, defects or other problems could also result in reduced sales or a loss of, or delay in, the market acceptance of our solutions. Moreover, software development is time- consuming, expensive, complex and requires regular maintenance. Unforeseen difficulties can arise. If we do not complete our periodic maintenance according to schedule or if customers are otherwise dissatisfied with the frequency or duration of our maintenance services, customers could elect not to renew, or delay or withhold payment to us or cause us to issue credits, make refunds or pay penalties. Because our solutions are often customized and deployed on a customer- by- customer basis, rather than through a multi- tenant SaaS method of distribution, applying bug fixes, upgrades or other maintenance services may require updating each instance of our ~~software~~ **solutions** , ~~which~~ **including a variety of different versions of our solutions. This** could be time consuming and cause us to incur significant expense **and may require the involvement of our customers, which potentially increases the technical delivery risk** . We might also encounter technical obstacles, and it is possible that we discover problems that prevent our solutions from operating properly. **As a result of the complexity of our solutions and the complex needs of our customers, our customers depend on our technical resources to develop reliable and secure solutions and to resolve any technical issues relating to our solutions. Our ability to deliver our solutions is dependent on our software development lifecycle management processes, including with respect to our change management processes, which impact our ability to effectively develop our solutions and to identify, track, test, manage and implement changes to our solutions. As a result, our solutions require an ongoing commitment of significant resources to maintain and enhance them and to develop new solutions in order to keep pace with continuing changes in information technology, emerging cybersecurity risks and threats, evolving industry and regulatory standards and changing preferences of our customers.** If our solutions do not function reliably or fail to achieve customer expectations in terms of performance, customers could seek to cancel their agreements with us and assert liability claims against us, which could damage our reputation, impair our ability to attract or maintain customers ~~and~~ **,** harm our results of operations **or have an adverse impact on our financial performance** . Failures or reduced accessibility of third- party hardware, software or other services on which we rely could impair the delivery of our solutions and adversely affect our business. We rely on hardware and services that we purchase or lease and software, including open **-** source software, that we develop or license from, or that is hosted by third parties, to offer our solutions. In addition, we obtain licenses from third parties to use intellectual property associated with the development of our solutions. These licenses might not continue to be available to us on acceptable terms, or at all. These third- party providers may in the future choose not to continue to support certain of the hardware, software or services we license. We also may in the future choose to discontinue the use of the hardware, services or software we acquire or license from such third- party providers, which may require that we pay termination fees or recognize related accounting charges or impairments. **The** ~~While we are not substantially dependent upon any third- party hardware, services or software other than our third- party data centers, the~~ loss of the right or ability to use all or a significant portion of our third- party hardware, services or software required for the development, maintenance and delivery of our solutions could result in delays in the provision of our solutions until we develop or identify, obtain and integrate equivalent technology, which could harm our business. Any errors or defects in the hardware, services or software we use could result in errors, interruptions or a failure of our solutions. Although we believe that there are alternatives, any significant interruption in the availability of all or a significant portion of such hardware, services or software could have an adverse impact on our business unless and until we can replace the functionality provided by these products at a similar cost. Furthermore, such hardware, services and software may not be available on commercially reasonable terms, or at all. The loss of the right to use all or a significant portion of such hardware, services or software could limit access to our solutions. Additionally, we rely upon third parties' abilities to enhance their current products, develop new products on a timely and cost- effective basis and respond to emerging industry standards and other technological changes. We may be unable to ~~effect~~ **influence** changes to such third- party technologies, which may prevent us from rapidly responding to evolving customer requirements. We also may be unable to replace the functionality provided by the third- party software currently offered in conjunction with our solutions in the event that such software becomes obsolete or incompatible with future versions of our solutions or is otherwise not adequately maintained or updated. We depend on data centers **and public clouds** operated by third parties and third- party Internet ~~hosting~~ **service** providers, and any disruption in the operation of these facilities **, services** or access to the Internet **have in the past and** could **continue to** adversely affect our business. We currently host **the majority of** our digital banking platform solutions ~~primarily~~ from two third- party data center hosting facilities located in Austin, Texas and Carrollton, Texas, which are both operated by the same third- party provider, and our **digital** lending **and relationship pricing** solutions, Helix solutions and **some** ~~a certain portion~~ of our digital banking platform solutions are hosted by cloud- based service providers, including Amazon Web Services and Microsoft Azure. The owners and operators of these current and future facilities and cloud- based hosting services do not guarantee that our customers' access to our solutions will be uninterrupted, error- free or secure. We **have experienced, and** may **in the future** experience website disruptions, outages and other performance problems **with these data centers and third- party hosting providers** . These problems may be caused by a variety of factors, including infrastructure changes, **hardware failures,** human or software errors, viruses, security attacks, fraud, operational disruption, spikes in customer usage and denial of service issues ~~. As a result of increased online banking activity due to the COVID- 19 pandemic, including periodic~~

~~significant increases in logins by End Users seeking to check their accounts for receipt of government stimulus funds, financial institutions and their online banking service providers have experienced periods of unprecedented user login activity, at times, resulting in delayed access to online banking for many financial institutions, including many of our customers~~ . We have made investments in additional data center capacity to increase the processing capacity of our online banking platform to minimize any future delays, and we ~~expect~~ **continue** to make additional incremental investments to further enhance our hosting infrastructure and support. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. We do not control the operation of these data center facilities and cloud- based service providers, and such facilities and services are vulnerable to damage or interruption from human error, intentional bad acts, power loss, hardware failures, telecommunications failures, fires, wars, terrorist attacks, floods, earthquakes, hurricanes, tornadoes, pandemics or similar catastrophic events. They also could be subject to break- ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or terminate our hosting arrangement or other unanticipated problems could result in lengthy interruptions in the delivery of our solutions, cause system interruptions, prevent our customers' End Users from accessing their accounts or services online, reputational harm and loss of critical data, prevent us from supporting our solutions or cause us to incur additional expense in arranging for new facilities, services and support **, and may be required to pay refunds to our customers based on service level agreement (SLA) provisions in their contracts** . We also depend on third- party Internet **service** ~~- hosting~~ providers and continuous and uninterrupted access to the Internet through third- party bandwidth providers to operate our business. If we lose the services of one or more of our Internet **service** ~~- hosting~~ or bandwidth providers for any reason or if their services are disrupted, for example due to viruses or denial of service or other attacks on their systems, or due to human error, intentional bad acts, power loss, hardware failures, telecommunications failures, fires, wars, terrorist attacks, floods, earthquakes, hurricanes, tornadoes, pandemics or similar catastrophic events, we could experience disruption in our ability to offer our solutions and adverse perception of our solutions' reliability, or we could be required to retain the services of replacement providers, which could increase our operating costs and harm our business and reputation. Prolonged interruption in the availability, or reduction in the speed or other functionality, and frequent or persistent interruptions in our solutions could cause customers to believe that our solutions are unreliable, leading them to switch to our competitors or to avoid our solutions, which could also harm our business and reputation. We do not have any control over the availability or performance of salesforce. com' s Force. com platform, and if we or our **CL** digital lending ~~solution~~ **platform** customers encounter problems with it, we may be required to replace Force. com with another platform, which ~~would~~ **could** be difficult and costly. **Our CL** ~~Certain of our~~ digital lending ~~solutions~~ **platform** ~~run~~ **runs** on salesforce. com' s Force. com platform, and we do not have any control over the Force. com platform or the prices salesforce. com charges to our customers. Salesforce. com may discontinue or modify Force. com or increase its fees or modify its pricing incentives for our customers. If salesforce. com takes any of these actions, we may suffer lower sales, increased operating costs and loss of revenue from ~~certain of~~ our **CL** digital lending ~~solutions~~ **platform** until equivalent technology is either developed by us, or, if available from a third party, is identified, obtained and integrated. Additionally, we may not be able to honor commitments we have made to our customers and we may be subject to breach of contract or other claims from our customers. In addition, we do not control the performance of Force. com. If Force. com experiences an outage, ~~certain of~~ our **CL** digital lending ~~solutions~~ **platform** will not function properly, and our customers may be dissatisfied. If salesforce. com has performance or other problems with its Force. com platform or its operations generally, they will reflect poorly on us and the adoption and renewal of certain of our **CL** digital lending ~~solutions~~ **platform** and our business may be harmed. If we fail to provide effective customer training on our solutions and high- quality customer support, our business and reputation would suffer. Effective customer training on our solutions and high- quality, ongoing customer support are important to the successful marketing and sale of our solutions ~~and~~ **,** for the renewal of existing customer agreements **and for the remediation of any defects or issues with our solutions or the manner in which they are being used** . Providing this training and support requires that our customer training and support personnel have **Q2 solutions and** financial services knowledge and expertise, which can make it difficult for us to hire qualified personnel and scale our training and support operations. The demand on our customer support organization **has and** will **continue to** increase as we expand our business **, offer new and more complex solutions** and pursue new **and larger** customers, and such increased support could require us to devote significant development services and support personnel, which could strain our team and infrastructure and reduce our profit margins **. From time to time, customer support cases can include product issues or defects which involve inconvenience or financial harm for our customers or End Users** . If we do not help our customers quickly resolve any post- implementation **product or support** issues and provide effective ongoing customer support, our **customers or End Users may incur further inconvenience or may not be able to remediate or limit resulting financial harm, and our** ability to sell additional solutions to existing and future customers could suffer and our reputation ~~would~~ **could** be harmed **. Consequences related to our development and use of AI may result in reputational harm or liability. We currently incorporate AI capabilities into certain of our solutions and we anticipate further utilization of AI in our solutions in the future. As with many innovations, AI presents risks, challenges, and unintended consequences related to its development, adoption and use that could adversely affect our business. AI algorithms and training methodologies may be flawed. Ineffective or inadequate AI development or deployment practices by us or others could result in incidents that impair the accuracy and acceptance of AI- based solutions or cause harm to individuals or customers. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm. If we enable or offer AI- based solutions that are controversial because of their impact on human rights, privacy, employment, or other social, economic, or political issues, or which contain errors or bias or infringe upon the rights of third parties, we may experience competitive, brand or reputational harm or legal or regulatory action. Further, incorporating AI into our solutions may increase our risk of litigation and risk of non-**

compliance, as AI is an emerging technology for which the legal and regulatory landscape is not fully developed. While new AI initiatives, laws, and regulations are emerging and evolving, what they ultimately will become remains uncertain, and our obligation to comply with them could entail significant costs, negatively affect our business or entirely limit our ability to incorporate certain AI capabilities into our solutions. We also currently utilize AI for certain internal functions and in operating our business and we anticipate expanding our use of AI for these purposes, which presents risks and challenges. While we aim to use AI ethically and attempt to identify and mitigate ethical or legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. The use of AI to support business operations carries inherent risks related to data privacy and security, such as intended, unintended, or inadvertent transmission of proprietary or sensitive information, as well as challenges related to implementing and maintaining AI tools, such as developing and maintaining appropriate datasets for such support and internal controls related to their use. Use of AI for business operations also involves the risk of infringing third- party intellectual property rights. Further, dependence on AI may introduce additional operational vulnerabilities by impacting our relationships with customers, partners, and suppliers, by producing inaccurate outcomes based on flaws in the underlying data, or other unintended results . If we fail to respond to evolving technological requirements or introduce adequate enhancements, new features or solutions, our solutions could become obsolete or less competitive. The markets for our solutions are characterized by rapid technological advancements, changes in customer requirements and technologies, frequent new product introductions and enhancements and changing regulatory requirements. The life cycles of our solutions are difficult to estimate. Rapid technological changes and the introduction of new products and enhancements by new or existing competitors or large financial services providers could undermine our current market position. Other means of digital financial services solutions may be developed or adopted in the future, and our solutions may not be compatible with these new technologies. In addition, the technological needs of, and services provided by, customers may change if they or their competitors offer new services to End Users. Maintaining adequate research and development resources to meet the demands of the markets we serve is essential. The process of developing new technologies and solutions is complex and expensive. The introduction of new solutions by our competitors, the market acceptance of competitive solutions based on new or alternative technologies or the emergence of new technologies or solutions in the broader financial services industry could render our solutions obsolete or less effective. The success of any enhanced or new solution depends on several factors, including timely completion, adequate testing and market release and acceptance of the solution. Any new solutions that we develop or acquire may not be introduced in a timely or cost-effective manner, may contain defects or may not achieve the broad market acceptance necessary to generate significant revenues. If we are unable to anticipate customer requirements or work with our customers successfully on implementing new solutions or features in a timely manner or enhance our existing solutions to meet our customers' requirements, our business and operating results may be adversely affected. If we fail to effectively maintain or expand our sales and marketing capabilities and teams, as necessary, including through partner relationships, we may not be able to increase our customer base and achieve broader market acceptance of our solutions. Increasing our customer base and achieving broader market acceptance of our solutions will depend on our ability to maintain and potentially expand our sales and marketing organizations and their abilities to obtain new customers and sell additional solutions and services to new and existing customers. We believe there is significant competition for direct sales professionals with the skills and knowledge that we require, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future. Our ability to achieve significant future revenue growth ~~will~~ **may** depend on our success in recruiting, training and retaining a sufficient number of direct sales professionals **, as well as our ability deploy our existing sales and marketing resources efficiently** . New hires may require significant training and time before they become fully productive and may not become as productive as quickly as we anticipate. As a result, the cost of hiring and carrying new representatives cannot be offset by the **bookings and** revenues they produce for a significant period of time. Our growth prospects will be harmed if our efforts to expand, train and retain our direct sales team do not generate a corresponding increase in revenues. Additionally, if we fail to sufficiently invest in our marketing programs or they are unsuccessful in creating market awareness of our company and solutions, our business may be harmed and our sales opportunities limited. In addition to our direct sales team, we also extend our sales distribution through formal and informal relationships with referral partners **and resellers** . While we are not substantially dependent upon referrals **and sales** from any partner, our ability to grow revenue in the future may depend upon continued referrals from our partners and growth of the network of our referral partners. These partners are under no contractual obligation to continue to refer business to us, nor do these partners have exclusive relationships with us and may choose to instead refer potential customers to our competitors. We cannot be certain that these partners will prioritize or provide adequate resources for promoting our solutions or that we will be successful in maintaining, expanding or developing our relationships with referral partners. Our competitors may be effective in providing incentives to third parties, including our partners, to favor their solutions or prevent or reduce subscriptions to our solutions either by disrupting our relationships with existing customers or limiting our ability to win new customers. Establishing and retaining qualified partners and training them with respect to our solutions requires significant time and resources. If we are unable to devote sufficient time and resources to establish and train these partners or if we are unable to maintain successful relationships with them, we may lose sales opportunities and our revenues could suffer. We rely on our management team and other key employees, and the loss of one or more key employees could harm our business. Our success and future growth depend upon the continued services of our management team, in particular our Chief Executive Officer, and other key employees, including in the areas of research and development, marketing, sales, services and general and administrative functions. From time to time, there may be changes in our management team resulting from the hiring or departure of executives, which could disrupt our business. We also are dependent on the continued service of our existing development professionals because of the complexity of our solutions, including complexity arising as a result of the regulatory requirements that are applicable to our customers and the pace of technology changes impacting our customers and their End

Users. We may generally terminate any employee' s employment at any time, with or without cause, subject to local laws in particular non- U. S. jurisdictions, and any employee may resign at any time, with or without cause; however, our employment agreements with our named executive officers provide for the payment of severance under certain circumstances. We also have entered into employment agreements with our other executive officers which provide for the payment of severance under similar circumstances as in our named executive officers' employment agreements. The loss of one or more of our key employees could harm our business. Because competition for employees is intense, we may not be able to attract and retain the highly ~~-~~skilled employees we need to support our operations and future growth **. If we fail to attract, hire and integrate qualified new employees, motivate and retain existing personnel, or maintain a highly skilled and diverse global workforce, our business and future growth prospects could be harmed** . Competition for executive officers, software developers and other employees in our industry is intense. In particular, we compete with many other companies for executive officers, ~~for~~ software developers with high levels of experience in designing, developing and managing software, as well as ~~for~~ skilled sales and operations professionals and knowledgeable customer support professionals, and we may not be successful in attracting the professionals we need. ~~Competition for software development~~ **We have from time- to- time experienced difficulty in hiring, training** and ~~engineering~~ **retaining highly skilled employees with appropriate qualifications, resulting in difficulty managing** personnel **costs due to** ~~is intense. Recent macroeconomic challenges have resulted in inflation and have impacted many industries with increased employee resignations and turnover, labor shortages, extreme~~ competition for talent ~~, wage inflation~~ and **the related** pressure to improve employee benefits and compensation to remain competitive ~~, resulting in challenges with effectively managing the related personnel costs~~ . ~~In recent~~ **We may continue to experience inflation in the wages we have to pay to hire and retain qualified employees in future** periods ~~, we have experienced heightened employee turnover, delays in hiring suitable replacement candidates and increased costs to hire new employees~~ . A sustained labor shortage or additional increases in turnover rates within our employee base could lead to further increased costs, such as increased wages or other compensation to attract and retain employees and could negatively affect our ability to support our operations and our plans for future growth. ~~In addition, job candidates~~ **We continue to hire personnel in countries where technical knowledge** and ~~existing~~ **other expertise are offered at lower costs than in the U. S., which increases the efficiency of our global workforce structure and reduces our personnel related expenditures. Nonetheless, as globalization continues, competition for** employees **in** ~~often consider the~~ **these** ~~actual and potential value of~~ **countries has increased, which may impact our ability to retain** ~~the~~ **these** ~~equity awards they receive~~ **employees and increase our compensation- related expenses. We intend to continue to expand our international operations, which will require significant management attention and resources. We may be unable to scale our infrastructure effectively or** as **quickly as** ~~part of their overall compensation. Thus, if the perceived value or~~ **our competitors in these markets** ~~future value of our stock declines~~ , ~~our ability to attract~~ and **our revenue** ~~retain highly skilled employees may be adversely affected. In addition, many~~ - **may** ~~of our existing employees may exercise vested options~~ **not increase sufficiently to offset these expected increases in costs, causing** ~~or~~ **our** ~~vest in outstanding restricted stock units and sell our stock, which may make it more difficult for us to retain key employees. If we fail to attract and retain new employees, our business and future growth prospects could be harmed. The residual impacts of the COVID- 19 pandemic could further adversely affect our business,~~ results ~~of operations and financial condition. Our business depends on the overall demand for our solutions, and on the economic health of our current and prospective customers. The residual impacts of the COVID- 19 pandemic on our business, customers, partners, employees, markets and financial results and condition, are uncertain, evolving and dependent on numerous unpredictable factors outside of our control, including: • the duration and severity of the pandemic as a public health matter and its impact on governments, businesses, society, our customers, our partners and our business; • the measures being taken by governments, businesses and society in response~~ to **suffer** ~~the pandemic; • the scope and effectiveness of fiscal and monetary stimulus programs and other legislative and regulatory measures being implemented by federal, state and local governments; • deterioration of worldwide credit and financial markets that could limit our ability to obtain external financing to fund our operations and capital expenditures or to refinance existing indebtedness; • potential asset impairments, including goodwill, intangible assets, investments and other assets; • the increase in business challenges among our customers and other businesses from macroeconomic factors; and • the willingness of current and prospective customers to invest in our solutions. Any of these factors may impact our business unfavorably. There can be no assurance that our actions taken in response to the COVID- 19 pandemic will succeed in preventing or mitigating any negative impacts on our business. Even after the COVID- 19 pandemic or a similar public health crisis had subsided, we may continue to experience adverse impacts to our business as a result of its global economic impact, including any recession, economic downturn, inflation, or increased unemployment that has occurred or may occur in the future~~ . Because our long- term success depends on our ability to operate our business internationally ~~and increase sales of our solutions to customers located outside of the U. S.~~ , our business is susceptible to risks associated with international operations. We have international operations in India, Australia, Canada ~~and~~ **,** the United Kingdom **and Mexico** . ~~We also may~~ **In recent years, we have** ~~expand~~ **expanded** our international operations in ~~the foreseeable future~~ **order to maintain an appropriate cost structure, access a broader talent pool and meet our customers' needs, which has included opening offices in new jurisdictions. Our continued expansion efforts may involve expanding into less developed countries, which may be subject to political, social or economic instability and have less developed infrastructure and legal systems** . The continued international expansion of our operations requires significant management attention and financial resources and **involves significant** ~~results in increased~~ administrative and compliance costs. Our limited experience in operating our business in certain regions outside the U. S. increases the risk that our expansion efforts into those regions may not be successful. In particular, our business model may not be successful in particular countries or regions outside the U. S. for reasons that we currently are unable to anticipate. In addition, conducting international operations subjects us to risks that we have not generally faced in the U. S. These include, but are not limited to: • fluctuations in currency exchange rates; • the complexity of, or changes in, foreign regulatory requirements ~~;~~

~~• the cost and complexity of bringing our solutions into compliance with foreign regulatory requirements, and risks of our solutions not being compliant~~ ; • difficulties in managing the staffing of international operations, including compliance with local labor and employment laws and regulations; • complexities implementing and enforcing cross- border information technology and security controls; • potentially adverse tax consequences, including the complexities of foreign value added tax systems, overlapping tax regimes, restrictions on the repatriation of earnings and changes in tax rates **; • the cost and complexity of bringing our solutions into compliance with foreign regulatory requirements, and risks of our solutions not being compliant** ; • dependence on resellers and distributors to increase customer acquisition or drive localization efforts; • the burdens of complying with a wide variety of foreign laws and different legal standards, certain of which may be significantly more burdensome than those in place in the U. S.; • increased financial accounting and reporting burdens and complexities; • longer payment cycles and difficulties in collecting accounts receivable; • longer sales cycles; • political, social and economic instability abroad; • terrorist attacks and security concerns in general; • **failure to recruit, onboard, build and retain a talented and engaged global workforce; •** integrating personnel with diverse business backgrounds and organizational cultures; • difficulties entering new non- U. S. markets due to, among other things, consumer acceptance and business knowledge of these new markets; • constraints of remote working by employees; • reduced or varied protection for intellectual property rights in some countries; and • the risk of U. S. regulation of foreign operations. The occurrence of any one of these risks could negatively affect our international business and, consequently, our operating results. We cannot be certain that the investment and additional resources required to establish, acquire or integrate operations in other countries will produce desired levels of revenue or profitability. If we are unable to effectively manage our expansion into additional geographic markets, our financial condition and results of operations could be harmed. In particular, we operate some of our research and development activities internationally and outsource a portion of the coding and testing of our products and product enhancements to contract development vendors. We believe that performing research and development in our international facilities and supplementing these activities with our contract development vendors enhances the efficiency and cost- effectiveness of our product development. If we experience problems with our workforce or facilities internationally, we may not be able to develop new products or enhance existing products in an alternate manner that may be equally or less efficient and cost- effective. In addition, if information technology and security controls we have implemented to address risks posed by research and development activities outside of the U. S. are breached or are otherwise ineffective, our intellectual property or technical infrastructure could be compromised or stolen and we could be subjected to cyberattacks or intrusions. We may acquire or invest in companies, ~~or~~ pursue business partnerships **or divest non- strategic products or assets** , which may divert our management' s attention and present additional risks, and we may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions or investments, all of which could have a material adverse effect on our business and results of operations. We have completed, and may in the future evaluate and consider, potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products and other assets. We also may enter into relationships with other businesses to expand our solutions, which could involve preferred or exclusive licenses ~~,~~ **and** additional channels of distribution ~~, discount pricing or investments in other companies~~ . Negotiating ~~these transactions~~ **any acquisition, investment or alliance, or any divestiture opportunity,** can be time- consuming, difficult and expensive, and our ability to close these transactions may be subject to approvals that are beyond our control ~~. In addition, we have limited experience in acquiring other businesses~~ . We may not be able to find and identify desirable additional acquisition targets, we may incorrectly estimate the value of an acquisition target, and we may not be successful in entering into an agreement with any particular target **or identified purchaser for divestiture opportunities** . Consequently, these transactions, even if undertaken and announced, may not close. We may not achieve the anticipated benefits from our past acquisitions or any additional businesses we acquire due to a number of factors, including: • our inability to integrate, manage or benefit from acquired operations, technologies or services; • our inability to successfully sell and maintain the solutions of the acquired business; • unanticipated costs or liabilities associated with the acquisition, including the assumption of liabilities or commitments of the acquired business that were not disclosed to us or that exceeded our estimates; • difficulty integrating the technology, accounting systems, operations and personnel of the acquired business; • difficulties and additional expenses associated with supporting legacy solutions and hosting infrastructure of the acquired business; • uncertainty of entry into markets in which we have limited or no prior experience or in which competitors have stronger market positions; • difficulty converting the customers of the acquired business to our solutions and contract terms, including disparities in the revenues, licensing, support or professional services model of the acquired company; • diversion of management' s attention to other business concerns; • adverse effects to our existing business relationships with business partners and customers as a result of the acquisition **or divestiture** ; • use of resources that are needed in other parts of our business; • the use of a substantial portion of our cash that we may need to operate our business and which may limit our operational flexibility and ability to pursue additional strategic transactions; • the issuance of additional equity securities that would dilute the ownership interests of our stockholders; • incurrence of debt on terms unfavorable to us or that we are unable to repay; • incurrence of large charges or substantial liabilities; • our inability to apply and maintain internal standards, controls, procedures and policies with respect to the acquired businesses; • difficulties retaining key employees of the acquired company or integrating diverse software codes or business culture; and • becoming subject to adverse tax consequences, substantial depreciation or deferred compensation charges. In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations. We may not be able to secure sufficient additional financing on favorable terms, or at all, to meet our future capital needs. We may require additional capital in the future to pursue business opportunities or acquisitions, pay off our existing debt or respond to challenges and unforeseen circumstances. We also may decide to engage in equity or debt financings or enter into credit facilities for other reasons. We may not be able to secure additional debt or equity financing in a timely manner, on favorable terms, or at all. Any debt financing we obtain in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and pursue business opportunities, including potential acquisitions. Financial and Accounting- Related Risks Because we recognize revenues from a significant portion of our solutions over the terms of our customer agreements, the impact of changes in the subscriptions for such solutions will not be immediately reflected in our operating results, and rapid growth in our customer base may adversely affect our operating results in the short term since we expense a substantial portion of implementation costs as incurred. We generally recognize revenues monthly over the terms of our customer agreements. The initial term of our digital banking platform ~~customer~~ agreements averages over five years, although it varies by customer. As a result, the substantial majority of the revenues we report in each quarter are related to agreements entered into during previous quarters. Consequently, a change in the level of new customer agreements or implementations in any quarter may have a small impact on our revenues in that quarter but will affect our revenues in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our solutions, or changes in our rate of renewals may not be fully reflected in our results of operations until future periods. Our subscription model **and the proportion of our subscription revenues to our total revenues** also ~~makes~~ - **make** it difficult for us to rapidly increase our revenues through additional sales in any period. Additionally, we recognize our expenses over varying periods based on the nature of the expense. In particular, we recognize a substantial portion of implementation expenses as incurred even though we recognize the ~~related~~ revenues over extended periods. As a result, we may report poor operating results in periods in which we are incurring higher implementation expenses related to revenues that we will recognize in future periods, including implementations for larger customers that have heightened levels of complexity in their hardware, software and network infrastructure needs. Alternatively, we may report better operating results in periods due to lower implementation expenses, but such lower expenses may be indicative of slower revenue growth in future periods. As a result, our expenses may fluctuate as a percentage of revenues and changes in our business generally may not be immediately reflected in our results of operations. We may experience quarterly fluctuations in our operating results or key operating measures due to a number of factors, which makes our future results difficult to predict and could cause our operating results or key operating measures to fall below expectations or our guidance. Our quarterly operating results and key operating measures have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, comparing our operating results or key operating measures on a period- to- period basis may not be meaningful. Our past results may not be indicative of our future performance. In addition to the other risks described in this report, factors that may affect our quarterly operating results or key operating measures include the following: • the addition or loss of customers, including through acquisitions, consolidations or failures; • the timing of large subscriptions and customer terminations, renewals or failures to renew; • the amount of use of our solutions in a period and the amount of any associated transactional revenues and expenses; • the amount and timing of professional service engagements and associated revenues and expenses; • budgeting cycles of our customers and changes in spending on solutions by our current or prospective customers; • seasonal variations in sales of our solutions, which may be lower in the first half of the calendar year; • changes in the competitive dynamics of our industry, including consolidation among competitors, changes to pricing or the introduction of new products and services that limit demand for our solutions or cause customers to delay purchasing decisions; • the amount and timing of cash collections from our customers; • long or delayed implementation times for new customers, including larger customers **with more complex requirements** , or other changes in the levels of customer support we provide; • the timing and predictability of sales of our solutions and the impact that the timing of bookings may have on our revenue and financial performance in a period; • the timing of customer payments and payment defaults by customers, including any buyouts by customers of the remaining term of their contracts with us in a lump sum payment that we would have otherwise recognized over the term of those contracts, and any costs associated with impairments of related contract assets **; • changes in actual customer usage or projected customer usage of our solutions** ; • the amount and timing of our operating costs and capital expenditures; • changes in tax rules or the impact of new accounting pronouncements; • general economic conditions **or conditions in the financial services industry** that may adversely affect our customers' ability or willingness to purchase solutions, delay a prospective customer' s purchasing decision, reduce our revenues from customers or affect renewal rates; • natural disasters or public health emergencies and their effect on the operations of us, our customers, our third- party providers and on the overall economy; • impairment charges related to long- lived assets; • unexpected expenses such as those related to non- recurring corporate transactions, litigation or other disputes, or changes in claim trends on our workers' compensation, unemployment, disability and medical benefit plans may negatively impact our operating costs; • the timing of stock awards to employees and related adverse financial statement impact of having to expense those stock awards over their vesting schedules; and • the amount and timing of costs associated with recruiting, hiring, training and integrating new employees, many of whom we hire in advance of anticipated needs. Any one of the factors above, or the cumulative effect of some or all of the factors referred to above, may result in significant fluctuations in our quarterly and annual results of operations. This variability and unpredictability could result in our failure to meet or exceed our internal operating plan. Additionally, the price of our ~~convertible notes and our~~ common stock might be based on expectations of investors or securities analysts of future performance that are inconsistent with our actual growth opportunities or that we might fail to meet and, if our revenues or operating results fall below expectations, the price of our ~~convertible notes and~~ common stock could decline substantially. We have a history of losses ~~,~~ and **may incur additional losses in** ~~we do not expect to be profitable for~~ the ~~foreseeable~~ future. We have incurred losses from operations in each period since our inception in 2005, except for 2010 when we recognized a gain on the sale of a subsidiary. We incurred net losses of $ **65. 4 million, $** 109. 0 million ~~,~~ **and** $ 112. 7 ~~million and $ 137. 6~~ million for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~560~~ **625** . ~~3~~ **7** million. These losses and accumulated deficit reflect the substantial investments we have made to develop, sell and market our solutions ~~and~~ **,** acquire customers **and hire and retain qualified employees** . As we seek to continue to grow our business, including through acquisitions, we expect to incur additional sales, marketing, implementation and other related expenses, including amortization of acquired intangibles. Our ability to achieve or sustain profitability will depend on our obtaining sufficient scale and productivity so that the cost of adding and supporting new customers does not adversely impact our margins. We also expect to continue to make other investments to develop and expand our solutions and our business, including continuing to increase our marketing, services and sales operations and continuing our significant investment in research and development and our technical infrastructure, while also managing our business in response to continued challenging macroeconomic conditions **, challenges in the financial services industry** and any anticipated or resulting ~~recession~~ **economic slowdown** . We expect to incur losses ~~for~~ **in** the ~~foreseeable~~ future as we continue to focus on adding new customers and solutions, and we cannot predict whether or when we will achieve or sustain profitability. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenues enough to offset our higher operating expenses ~~. In addition~~ , **thus making** ~~as a public company, we incur significant legal, accounting and other expenses. These increased expenditures will make~~ it **challenging** ~~harder for us~~ to achieve and maintain profitability. While our revenues have grown in recent periods, such growth may not be sustainable, and our revenues could decline or grow more slowly than we expect. We also may incur additional losses in the future for a number of reasons, including due to litigation and other unforeseen reasons and the risks described in this report. Accordingly, we cannot assure you that we will achieve profitability in the future, nor that, if we do become profitable, we will be able to sustain profitability. If we are unable to achieve and sustain profitability, our customers may lose confidence in us and slow or cease their purchases of our solutions and we may be unable to attract new customers, which would adversely impact our operating results. The markets in which we compete and demands of our customers are constantly changing and it is difficult to accurately predict the long- term rate of customer subscription renewals or **solution** adoption, or the impact these renewals and adoption, or any customer terminations, will have on our revenues or operating results. As the markets for our existing solutions develop and evolve, we may be unable to attract new customers at the same price or based on the same pricing model as we have used historically. Additionally, as a result of the operational and economic challenges being faced by our customers, we could be forced to modify contractual or payment terms with our customers. Moreover, large or influential financial services providers may demand more favorable pricing or other contract terms, including termination rights. As a result, in the future we may not be able to maintain historical contract terms such as pricing and duration and instead may be required to reduce our prices or accept other unfavorable contract terms, each of which could adversely affect our revenues, gross margin, profitability, financial position and cash flow. Our customers have no obligation to renew their subscriptions for our solutions after the expiration of the initial subscription term, and if our customers renew at all, then our customers may renew for fewer solutions or on different pricing terms. Our renewal rates may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our pricing or our solutions or their ability to continue their operations and spending levels. Additionally, certain agreements may include termination rights allowing customers to terminate their customer agreements in the event of, among other things, defects with our solutions, changes in our solution, breach by us of our obligations, requirements from regulatory authorities or a change in control of our company. If our customers terminate or do not renew their subscriptions for our solutions on similar pricing terms, our revenues may decline and our business could suffer. As we create new solutions or enhance our existing solutions to support new technologies and devices, our pricing of these solutions and related services may be unattractive to customers or fail to cover our costs. Shifts over time in the number of End Users of our solutions, their use of our solutions and our customers' implementation and customer support needs could negatively affect our profit margins. Our profit margins can vary depending on numerous factors, including the scope and complexity of our implementation efforts, the number of End Users on our solutions, the frequency and volume of their use of our solutions and the level of customer support services required by our customers. For example, our services offerings typically have a much higher cost of revenues ~~than~~ **compared to** ~~subscriptions~~ - **subscription** ~~to~~ **fees for the use of** our solutions, so any increase in sales of services as a proportion of our subscriptions would have an adverse effect on our overall gross margin and operating results. If we are unable to increase the number of End Users and the number of transactions they perform on our solutions, the number of End Users on our solutions or the number of transactions they perform decreases **, customers fail to achieve their anticipated End User growth** , the types of customers that purchase our solutions changes, or the mix of solutions purchased by our customers changes, our profit margins could decrease and our operating results could be adversely affected. The market data and forecasts included in this report may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, we cannot assure you that our business will grow at similar rates, or at all. The market data and forecasts included in our Annual Report on Form 10- K for the year ended December 31, ~~2022~~ **2023** and our other filings with the SEC, including the data and forecasts published by BauerFinancial, ~~Deloitte and Venture Scanner~~ among others, and our internal estimates and research are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. If the forecasts of market size, growth or anticipated spending prove to be inaccurate, our business and growth prospects could be adversely affected. Even if the forecasted size or growth proves accurate, our business may not grow at a similar rate, or at all. Our future growth is subject to many factors, including our ability to successfully execute on our business strategy, which itself is subject to many risks and uncertainties. ~~Such reports speak~~ **Data and forecasts we use reflect information** as of their respective publication dates and the opinions expressed in such reports are subject to change. Accordingly, potential investors in our common stock are urged not to put undue reliance on such forecasts and market data. We may not be able to utilize a significant portion of our net operating loss carryforwards, which could adversely affect our operating results and cash flows. As of December 31, ~~2022~~ **2023** , we had approximately $ ~~590~~ **504** . ~~1~~ **0** million of U. S. federal net operating loss carryforwards. Utilization of these net operating loss carryforwards depends on many factors, including our future income, which cannot be assured. Our loss carryforwards **arising prior to 2018** begin to expire in ~~2026~~ **2027** ~~; loss carryforwards arising for 2018 and later do not expire~~ . In addition, Section

382 of the Internal Revenue Code, as amended, generally imposes an annual limitation on the amount of net operating loss carryforwards that may be used to offset taxable income when a corporation has undergone an ownership change. An ownership change is generally defined as a greater than 50 % change in equity ownership by value over a 3- year period. We have undergone one or more ownership changes as a result of prior financings and may have undergone an ownership change as a result of our initial public offering in March 2014, or our registered common stock offerings in March 2015, September 2015, June 2019, May 2020, or in connection with shares of our common stock issued in connection with our November 2020 convertible debt exchange, and any such change in ownership and the corresponding annual limitation may prevent us from using our current net operating losses prior to their expiration. In addition, our acquisition of the various businesses acquired since 2015 ~~may result~~ **resulted** in an ownership change ~~,~~ and ~~any such change in ownership may result in~~ a corresponding annual limitation which ~~may prevent~~ **prevents** us from being able to fully utilize the net operating losses we acquired prior to their expiration. Future ownership changes or future regulatory changes could further limit our ability to utilize our net operating loss carryforwards. To the extent we are not able to offset our future income against our net operating loss carryforwards, this would adversely affect our operating results and cash flows if we attain profitability. Our business 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. Any successful action by state, local or other authorities to collect additional or past sales tax could adversely harm our business. We file sales and other tax returns within the U. S. and foreign jurisdictions as required by law and certain customer contracts for a portion of the solutions that we provide. Our tax liabilities with respect to sales and other taxes in various jurisdictions were approximately $ 0. ~~9~~ **8** million as of December 31, ~~2022~~ **2023** . From time to time, we face sales and other tax audits, and we will likely continue to do so in the future. Our liability for these taxes could exceed our estimates as tax authorities could ~~still~~ assert that we are obligated to collect additional amounts as taxes from our customers and remit those taxes to such authorities. We do not collect sales or other similar taxes in **certain states and** other ~~states or~~ jurisdictions, and some jurisdictions do not apply sales or similar taxes to certain solutions. State, local and foreign taxing jurisdictions have differing rules and regulations governing sales and other taxes, and these rules and regulations are subject to varying interpretations that may change over time. In particular, the applicability of sales taxes to our solutions in various jurisdictions is unclear. We review these rules and regulations periodically, and when we believe we are subject to sales and other taxes in a particular jurisdiction, we may voluntarily engage tax authorities to determine how to comply with their rules and regulations. A successful assertion by one or more jurisdictions, including those for which we have not accrued tax liability, requiring us to collect sales or other taxes with respect to sales of our solutions or customer support could result in substantial tax liabilities for past transactions, including interest and penalties, discourage customers from purchasing our solutions or otherwise harm our business and operating results. Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our reported results of operations. Financial accounting standards may change or their interpretation may change. A change in accounting standards or practices can have a significant impact on our reported results and may even affect our reporting of transactions completed before the change becomes effective. Changes to existing rules or the re- examining of current practices may adversely affect our reported financial results or the way we conduct our business. Accounting for revenues from sales of our solutions is particularly complex, is often the subject of intense scrutiny by the SEC and will evolve as the Financial Accounting Standards Board, or FASB, continues to consider applicable accounting standards in this area. If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and investors' views of us. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time- consuming effort that needs to be re- evaluated frequently, including if we acquire additional businesses and integrate their operations. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with U. S. generally accepted accounting principles, or GAAP. While we have documented and assessed our internal controls, we continue to evaluate opportunities to further strengthen the effectiveness and efficiency of our internal controls and procedures for compliance with Section 404 of the Sarbanes- Oxley Act, which requires annual management assessment and annual independent registered public accounting firm attestation reports of the effectiveness of our internal control over financial reporting. If we make additional acquisitions, we will need to similarly assess and ensure the adequacy of the internal financial and accounting controls and procedures of such acquisitions. If we fail to maintain proper and effective internal controls, including with respect to acquired businesses, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, harm our ability to operate our business and reduce the trading price of our common stock. Legal and Regulatory Risks Our customers are highly regulated and subject to a number of challenges and risks. Our failure to comply with laws and regulations applicable to us as a technology provider to financial services providers and to enable our customers to comply with the laws and regulations applicable to them could adversely affect our business and results of operations, increase costs and impose constraints on the way we conduct our business. Our customers and prospective customers are highly regulated and may be required to comply with stringent regulations in connection with subscribing to ~~and~~ **,** implementing **and using** our solutions. As a provider of technology to financial institutions, we are examined on a periodic basis by various regulatory agencies and required to review ~~certain of~~ our **third- party** suppliers and partners **. The stringency of our third party review is based on criticality criteria** . The examination handbook and other guidance issued by the Federal Financial Institutions Examination Council, or FFIEC, govern the examination of our operations and include a review of our systems and data center and technical infrastructure, management, financial condition, development activities and our support and delivery capabilities. If deficiencies are identified, customers may choose to terminate or reduce their relationships with us. In addition, while much of our operations are not directly subject to the same regulations applicable to financial institutions, we are generally obligated to our customers to provide software solutions and maintain internal systems

and processes that comply with federal, state and other regulations applicable to them. In particular, as a result of obligations under our customer agreements, we are required to comply with certain provisions of the Gramm- Leach- Bliley Act related to the privacy of consumer information and may be subject to other privacy and data security laws because of the solutions we provide. In addition, numerous regulations have been proposed and are still being written to implement the Dodd- Frank Act, including requirements for enhanced due diligence of the internal systems and processes of companies like ours by their financial institution customers. In general, larger financial institutions are subject to more stringent regulations and as a result, as we sell our solutions to larger financial institutions, we will become obligated to meet more stringent regulatory standards, including more in- depth ~~audits~~ **due diligence. Certain of our solutions are designed to be highly configurable by our customers and their ability to perform as intended can be affected by the manner in which our customers use or configure the solutions. To the extent we do not adequately train our customers to properly use such highly configurable solutions and advise them of the associated risks, or to the extent our customers do not follow our training, our customers may use them incorrectly or in a manner that violates the law or causes harm to our customers or their End Users** . If we have to make changes to our internal processes and solutions as a result of these regulatory changes, we could be required to invest substantial ~~additional time~~ - **ime** and funds and divert time and resources from other corporate purposes to remedy any identified deficiency. This evolving, complex and often unpredictable regulatory environment could result in our failure to provide regulatory- compliant solutions, which could result in customers' not purchasing our solutions or terminating their agreements with us or the imposition of fines or other liabilities for which we may be responsible. In addition, federal, state or foreign agencies may attempt to further regulate our activities in the future. For example, Congress could enact legislation to regulate providers of electronic commerce services as consumer financial services providers or under another regulatory framework. If enacted or deemed applicable to us, such laws, rules or regulations could be imposed on our activities or our business thereby rendering our business or operations more costly, burdensome, less efficient or impossible, any of which could have a material adverse effect on our business, financial condition and operating results. We are subject to various global data privacy and security regulations, which could result in additional costs and liabilities to us. Our business is subject to a wide variety of local, state, national and international laws, directives and regulations that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data. These data protection and privacy- related laws and regulations continue to evolve and may result in ever- increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Data privacy, information security, and data protection are significant issues in the U. S. and globally. The regulatory framework governing the collection, processing, storage, use and sharing of certain information, particularly financial and other PII, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. The occurrence of unanticipated events and development of evolving technologies often rapidly drives the adoption of legislation or regulation affecting the use, collection or other processing of data and **the way** ~~manner in which~~ we conduct our business. In the U. S., these include rules and regulations promulgated under the authority of the Federal Trade Commission, and state breach notification laws. If there is a breach of our systems and we know or suspect that unencrypted personal customer or End- User information has been stolen, we may be required to inform the representative state attorney general or federal or country regulator, media and credit reporting agencies, and any customers whose information was stolen, which **could harm our reputation and business. Additionally, a breach of our systems could trigger an SEC-mandated cybersecurity disclosure that requires us to disclose material cybersecurity incidents. Such a disclosure** could harm our reputation and business. Other states and countries have enacted different requirements for protecting personal information collected and maintained electronically. We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the U. S., the European Union and other jurisdictions, and we cannot yet determine the impact such future laws, regulations and standards will have on our business or the businesses of our customers, including, but not limited to, the European Union' s GDPR, which came into force in May 2018 and the California Consumer Privacy Act, which came into force in January 2020, each of which creates a range of new compliance obligations, which could require us to change our business practices, and significantly increases financial penalties for noncompliance. Failure to comply with laws concerning privacy, data protection and information security could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by customers, End Users and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing customers and End Users and prospective customers and End Users), any of which could have a material adverse effect on our operations, financial performance and business. In addition, we could suffer adverse publicity and loss of customer confidence were it known that we did not take adequate measures to assure the confidentiality of the personally identifiable information that our customers had given to us. This could result in a loss of customers and revenue that could jeopardize our success. We may not be successful in avoiding potential liability or disruption of business resulting from the failure to comply with these laws and, even if we comply with laws, may be subject to liability because of a security incident. If we were required to pay any significant amount of money in satisfaction of claims under these laws, or any similar laws enacted by other jurisdictions, or if we were forced to cease our business operations for any length of time **because** ~~as a result~~ of our inability to comply fully with any of these laws, our business, operating results and financial condition could be adversely affected. Further, complying with the applicable notice requirements in the event of a security and privacy breach could result in significant costs. Additionally, our business efficiencies and economies of scale depend on generally uniform solutions offerings and uniform treatment of customers and their End Users across all jurisdictions in which we operate. Compliance requirements that vary significantly from jurisdiction **-** to **-** jurisdiction impose added costs on our business and can increase liability for compliance deficiencies. Our failure to comply with laws and regulations related to the Internet ~~and mobile usage~~ **or changes in the Internet infrastructure itself** could adversely affect our business and results of operations, increase costs and impose constraints on the way we conduct our business. **The future success of our business depends upon the continued use of the Internet as a**

primary medium for commerce, including through mobile usage. We and our customers are subject to laws and regulations applicable to doing business over the Internet **. Federal, state, or foreign government bodies or agencies have in the past adopted,** and ~~through~~ **may in the future adopt, laws or regulations affecting** the use of ~~mobile devices~~ **the Internet as a commercial medium** . It is often not clear how existing laws governing issues such as property ownership, sales and other taxes apply to the Internet ~~and mobile usage~~ , as these laws have in some cases failed to keep pace with technological change. Laws governing the Internet could also impact our business or the business of our customers ~~.~~ **, and changes in these laws** ~~For~~ - **or** ~~instance, existing and future~~ regulations ~~on taxing~~ **could require us to modify our software in order to comply with these changes. Additionally, if governmental agencies or private organizations began to impose taxes, fees or other charges for accessing the** Internet ~~use~~ **or commerce conducted via Internet** , ~~pricing, characterizing~~ **characterize** the types and quality of services and products, or ~~restricting~~ --- **restrict** the exchange of information over the Internet **, we may experience** ~~or mobile devices could result in~~ reduced growth of our business, a general decline in the use of the Internet by financial services providers, or their End Users, or diminished viability of our solutions and ~~could significantly restrict~~ our customers' ability to use our solutions **could be significantly restricted** . Changing laws and regulations, industry standards and industry self- regulation regarding the collection, use and disclosure of certain data may have similar effects on our and our customers' businesses. Any such constraint on the growth in Internet ~~and mobile~~ usage could decrease its acceptance as a medium of communication and commerce or result in increased adoption of new modes of communication and commerce that may not be supported by our solutions. ~~Any such adverse legal or regulatory developments~~ **In addition, the use of the Internet as a business tool** could ~~substantially harm~~ **be adversely affected due to delays in the development** ~~our~~ - **or** ~~operating results~~ **adoption of new standards** and ~~our~~ **protocols to handle increased demands of Internet activity, security, reliability, cost, ease of use, accessibility and quality of service. The performance of the Internet and its acceptance as a** business **tool have been adversely affected by a variety of evolving data security threats and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the Internet is adversely affected by these issues, demand for our offerings and related services could suffer** . Legislation relating to consumer privacy may affect our ability to collect data that we use in providing our customers ~~'~~ End- User information, which, among other things, could negatively affect our ability to satisfy our customers' needs. We collect and store personal and identifying information regarding our customers' End Users to enable certain functionality of our solutions and provide our customers with data about their End Users. The enactment of new or amended legislation or industry regulations pertaining to consumer or private sector privacy issues, AI or machine learning could have a material adverse impact on our receipt, collection, storage, processing and transferring of such information. Legislation or industry regulations regarding consumer or private sector privacy issues could place restrictions upon the collection, sharing and use of information that is currently legally available, which could materially increase our cost of collecting some data. These types of legislation or industry regulations could also prohibit us from collecting or disseminating certain types of data, which could adversely affect our ability to meet our customers' requirements and our profitability and cash flow targets. These legislative measures impose strict requirements on reporting time frames for providing notice, as well as the contents of such notices. The costs of compliance **combined** with ~~,~~ the inability to determine whether a data breach has occurred within the time frame provided by, and other burdens imposed by, such laws and regulations may lead to significant fines, penalties or liabilities for any noncompliance with such privacy laws. Even the perception of privacy concerns, whether or not valid, may inhibit market adoption of our solutions. In addition to government activity, privacy advocacy groups and the technology and other industries are considering various new, additional or different self- regulatory standards that may place additional burdens on us. If the collecting, storing and processing of personal information were to be curtailed, our solutions would be less effective, which may reduce demand for our solutions and adversely affect our business. Any use of our solutions by our customers in violation of regulatory requirements could damage our reputation and subject us to additional liability. If our customers or their End Users use our solutions in violation of regulatory requirements and applicable laws, we could suffer damage to our reputation and could become subject to claims. We rely on contractual obligations made to us by our customers that their use and their End Users' use of our solutions will comply with applicable laws. However, we do not audit our customers or their End Users to confirm compliance. We may become subject to or involved with claims for violations by our customers or their End Users of applicable laws in connection with their use of our solutions. Even if claims asserted against us do not result in liability, we may incur costs in investigating and defending against such claims. If we are found liable in connection with our customers' or their End Users' activities, we could incur liabilities and be required to redesign our solutions or otherwise expend resources to remedy any damages caused by such actions and to avoid future liability. Any future litigation against us could be costly and time- consuming to defend. We may become subject, from time to time, to legal proceedings and claims that arise in the ordinary course of business such as claims brought by our customers in connection with commercial or intellectual property disputes ~~or~~ **,** employment claims made by our current or former employees **, or commercial or intellectual property claims by our suppliers or service providers** . Litigation might result in substantial costs and may divert management' s attention and resources, which might seriously harm our business, our overall financial condition and our operating results. Insurance may not cover such claims, provide sufficient payments to cover all the costs to resolve one or more such claims or continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and impact our liquidity, thereby reducing our operating results and impacting our financial condition, leading analysts and investors to reduce their confidence and expectations and reduce the trading price of our stock. Lawsuits by third parties against us or our customers for alleged infringement of the third parties' proprietary rights or for other intellectual property related claims could result in significant expenses and harm our operating results and financial condition. Our industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets and other intellectual property and proprietary rights as well as a high number of allegations and disputes related to these rights. Our competitors and the competitors of our customers, as well as a number of other entities and individuals (both operating and non- operating), own or claim to own intellectual property relating to our industry. As a result, we ~~regularly~~ **periodically** are subject to allegations and involved in disputes, either directly or on behalf of our customers, that our solutions and the underlying technology infringe the patent and other intellectual property rights of third parties. The frequency of these types of claims also may increase as we continue to add new customers and as a result of our being a public company. The defense against these allegations and disputes and, if unsuccessful, their resolution could result in our having to pay damages and negatively impact our ability to continue to sell and provide all or a portion of our solutions or certain third-party solutions, any of which could materially harm our reputation, business results and financial condition. Insurance may not cover such claims, provide sufficient payments to cover all the costs to resolve one or more such claims or continue to be available on terms acceptable to us. Successful outcomes in these disputes depend upon our ability to demonstrate that our solutions do not infringe upon the intellectual property rights of others. We have a very limited patent portfolio, which will likely prevent us from deterring patent infringement claims, and our competitors and others may now and in the future have significantly larger or more relevant patent portfolios than we have. Our customer agreements typically require us to indemnify our customers in connection with claims alleging our solutions or the underlying technologies infringe the patent or other intellectual property rights of third parties. Our customers regularly receive allegations from third parties or are involved in these disputes with third parties, and we may be required to indemnify them in connection with these matters. We ~~are currently~~ **have in the past been** involved in these types of disputes, and given the high level of this activity in our industry, we expect these types of disputes to continue to arise in the future. If we are unsuccessful in defending claims for which we are required to provide indemnity, our business and operating results could be adversely affected. Any significant disputes among us and our customers as to the applicability of our indemnity obligations could negatively impact our reputation and customer relations, affect our ability to sell our solutions and harm our operating results. Further, there can be no assurances that any provisions in our contracts that purport to limit our liability would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. In certain instances, we license technologies from third parties for use directly or indirectly in our solutions or for resale with our solutions. Our contracts with these third parties may include provisions that require the third party to indemnify us in the event of any claim or dispute that the third party' s technologies infringe upon the patent or other intellectual property rights of others. If we are unable for any reason to seek indemnity or otherwise collect from those third parties our direct or indirect liabilities related to any claim, then we may have to bear the liabilities ourselves and our business performance and financial condition could be substantially harmed. The risk of patent litigation exists with operating entities but also has been amplified by the increase in the number of non- practicing patent asserting entities, or" patent trolls." Any claims or litigation, whether by operating entities or" patent trolls," could cause us to incur significant expenses and, if successfully asserted against us or our customers whom we indemnify, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our solutions or require that we comply with other unfavorable terms. Even if the claims do not result in litigation or are resolved in our favor, these claims and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results. If we are unable to protect our intellectual property, our business could be adversely affected. Our success depends upon our ability to protect our intellectual property, which may require us to incur significant costs. We have developed much of our intellectual property internally, and we rely on a combination of confidentiality obligations in contracts, patents, copyrights, trademarks, service marks, trade secret laws and other contractual restrictions to establish and protect our intellectual property and other proprietary rights. In particular, we enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have business relationships in which they will have access to our confidential information. We also rely upon licenses to intellectual property from third parties. No assurance can be given that these agreements or other steps we take to protect our intellectual property or the third- party intellectual property used in our solutions will be effective in controlling access to and distribution of our solutions and our confidential and proprietary information. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized uses of our intellectual property. Despite our precautions, it may be possible for third parties to copy our solutions and use information that we regard as proprietary to create solutions and services that compete with ours. Third parties also may independently develop technologies that are substantially equivalent to our solutions. Some license provisions protecting against unauthorized use, copying, transfer and disclosure of our solutions may be unenforceable under the laws of certain jurisdictions. Our employees may use certain technological tools and infrastructure that allow us to enhance productivity, such as AI- enhanced chat bot functionality, ~~that~~ **which** can generate code or other content. If we cannot develop or maintain effective policies and controls around the use of AI, or if resulting code or content inadvertently contains malicious or vulnerable data or code, open **-** source code, infringes upon third- party intellectual property rights or is encumbered by third-party rights, our business and reputation could be harmed. Such use of AI may also result in disclosure of Q2 confidential or proprietary information to the third party providing the AI, or others, and potentially further use or copying by such third parties of Q2' s proprietary information. In some cases, litigation may be necessary to enforce our intellectual property rights or to protect our trade secrets. Litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. 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 and exposing us to significant damages or injunctions. Our inability to protect our intellectual property against unauthorized copying or use, as well as any costly litigation or diversion of our management' s attention and resources, could delay sales or the implementation of our solutions, impair the functionality of our solutions, delay introductions of new solutions, result in our substituting less- advanced or more- costly technologies into our solutions or harm our reputation. In addition, we may be required to license additional intellectual property from third parties to develop and market new solutions, and we cannot assure you that we could license that intellectual property on commercially reasonable terms or at all. As of

December 31, ~~2022~~ **2023** , we had seven ~~U. S.~~ patent applications pending and ~~11~~ **13 patents** issued **in the** U. S. ~~patents~~ **and other countries** . We do not know whether our pending patent applications will result in the issuance of patents or whether the examination process will require us to narrow the scope of our claims. To the extent that our pending patent applications or any portion of such applications proceed to issuance as a patent, any such future patent may be opposed, contested, circumvented, designed around by a third party or found to be invalid or unenforceable. In addition, our existing and any future issued patents may be opposed, contested, circumvented, designed around by a third party or found to be invalid or unenforceable. The process of seeking patent protection can be lengthy and expensive. We rely on a combination of patent, copyright, trade secret, trademark and other intellectual property laws to protect our intellectual property, and much of our technology is not covered by any patent or patent application. We use" open **-** source" software in our solutions, which may restrict how we use or distribute our solutions, require that we release the source code of certain software subject to open **-** source licenses or subject us to litigation or other actions that could adversely affect our business. We currently **, and may in the future,** use in our solutions ~~, and may use in the future,~~ software that is licensed under" open **-** source,"" free" or other similar licenses where the licensed software is made available to the general public on an" as- is" basis under the terms of a specific non- negotiable license. Some open **-** source software licenses require that software subject to the license be made available to the public and that any modifications or derivative works based on the open **-** source code be licensed in source code form under the same open **-** source licenses. Although we monitor our use of open **-** source software, ~~we cannot~~ **there can be no** ~~assure~~ **assurance** ~~you~~ that all open **-** source software is reviewed prior to use in our solutions, that our programmers have not incorporated open **-** source software into our solutions, or that they will not do so in the future. In addition, some of our products may incorporate third- party software under commercial licenses. We cannot be certain whether such third- party software incorporates open **-** source software without our knowledge. In the past, companies that incorporate open **-** source software into their products have faced claims alleging noncompliance with open **-** source license terms or infringement or misappropriation of proprietary software. Therefore, we could be subject to suits by parties claiming noncompliance with open **-** source licensing terms or infringement or misappropriation of proprietary software. Because few courts have interpreted open **-** source licenses, the manner in which these licenses may be interpreted and enforced is subject to some uncertainty. There is a risk that open **-** source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our solutions. As a result of using open **-** source software subject to such licenses, we could be required to release our proprietary source code, pay damages, re- engineer our products, limit or discontinue sales or take other remedial action, any of which could adversely affect our business. Our aspirations and commitments to ESG matters expose us to risks that could adversely affect our reputation and performance. The positions we have taken and may take on ESG matters, human capital management initiatives, and ethical issues from time to time ~~,~~ may impact our brand, reputation, or ability to attract and retain customers, suppliers and employees. We are committed to sustainable business practices and strive for positive impacts in not just environmental matters, but also social and governance practices. We publish our goals, progress and accomplishments ~~annually~~ in our ESG Report **, most recently published on July 19, 2023** . ~~These statements~~ **Statements in our ESG Report** , along with those on our website and / or from our management team, reflect our current plans and aspirations but are not guarantees that we will be able to achieve them. Our ability to achieve any ESG objective is subject to numerous risks, many of which are outside of our control. Examples of such risks include: • the availability and cost of low or non- carbon **-** based energy sources; • the evolving regulatory requirements affecting ESG standards or disclosures; • the availability of suppliers that can meet our sustainability, diversity and other ESG standards; • our ability to recruit, develop and retain diverse talent in our labor markets; and • the success of our organic growth and acquisitions **, dispositions or restructuring of our business operations** . Standards for tracking and reporting ESG matters continue to evolve. In addition, our processes and controls may not always comply with evolving standards for identifying, measuring, and reporting ESG metrics, including ESG- related disclosures that may be required of public companies by the SEC, and such standards may change over time, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future. As an example of increased regulatory focus, ~~in February 2021, the Acting Chair of the SEC issued a statement directing the Division of Corporation Finance to enhance its focus on climate- related disclosure in reporting company filings, and~~ in March 2021, the SEC announced the creation of a Climate and ESG Task Force in the Division of Enforcement to develop initiatives which proactively identify ESG- related misconduct. In **March 2022, the SEC proposed rule changes that enhance climate- related disclosures in reporting company filings and in** May 2022, ~~the Chair of the SEC announced a proposal~~ **proposed rule changes** to improve disclosures by certain investment advisors and funds that purport to take ESG factors into consideration when making investing decisions. It is likely that increasing regulatory requirements and regulator scrutiny related to ESG matters will continue to expand globally and result in higher associated compliance costs. Further, we may rely on data provided by third parties to measure and report our ESG metrics and if the data input is incorrect or incomplete, our brand, reputation, and financial performance may be adversely affected. Our failure or perceived failure to accomplish or accurately track and report on these goals on a timely basis, or at all, could adversely affect our reputation, financial performance and growth, our ability to attract or retain employees, the attractiveness of our securities as an investment, our relationships with business partners and / or service providers and expose us to increased scrutiny from the investment community, customers, suppliers, employees, as well as enforcement authorities and may also increase the risk we become subject to litigation. Risks Related to Ownership of Our Common Stock We have incurred and will continue to incur significant expenses and administrative burdens as a public company, which could have a material adverse effect on our operations and financial results. As a public company, we have incurred and will continue to incur significant legal, accounting, administrative and other costs and expenses. For example, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are required to comply with the applicable requirements of the Sarbanes- Oxley Act of 2002, or the Sarbanes- Oxley Act, and the Dodd- Frank Wall Street Reform and Consumer Protection Act, as well as rules and regulations subsequently implemented by the SEC, the Public Company Accounting Oversight Board and the New York Stock Exchange, including the establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Compliance with public company requirements has increased our costs and made some activities more time- consuming. In addition, our management and other personnel have been required to divert attention from operational and other business matters to devote substantial time to these public company requirements. Furthermore, if we identify any issues in complying with public company reporting requirements (for example, if our financial systems prove inadequate or we or our auditors identify deficiencies in our internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect us, our reputation or investor perceptions of us. It is also more expensive to maintain director and officer liability insurance as a public company. Risks associated with our status as a public company may make it more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers. The additional reporting and other obligations imposed on us by these rules and regulations have and we expect will continue to increase our legal and financial compliance costs and the costs of our related legal, accounting and administrative activities. These costs require us to divert a significant amount of money that we could otherwise use to expand our business and achieve our strategic objectives. Proposals submitted by stockholders at our annual meeting or other advocacy efforts by stockholders and third parties also may prompt additional changes in governance and reporting requirements, which could further increase our costs. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This situation could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate investigations, inquiries, administrative proceedings or legal proceedings against us and our business may be adversely affected. Any future sales of our common stock in the public markets, or the perception that such sales might occur, could reduce the price that our common stock might otherwise attain and may dilute the voting power and ownership interest in us of our then- existing stockholders. As of December 31, ~~2022~~ **2023** , we had an aggregate of ~~57, 734, 509~~ - **59, 031, 343** outstanding shares of common stock. The shares sold in our public offerings can be freely sold in the public market without restriction unless they are held by" affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining shares can be freely sold in the public market, subject in some cases to volume and other restrictions under Rule 144 under the Securities Act and various agreements. As of December 31, ~~2022~~ **2023** , we have registered **28,** ~~25~~ **275** , **901** ~~177, 849~~ shares of common stock that we have issued and may issue under our stock plans. These shares can be freely sold in the public market upon issuance, subject in some cases to volume and other restrictions under Rules 144 under the Securities Act, and various vesting agreements. In addition, some of our employees, including some of our executive officers, have entered into 10b5- 1 trading plans regarding sales of shares of our common stock. These plans provide for sales to occur from time to time. If any of these ~~additional~~ shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline. Since our initial public offering, from time to time we have conducted registered offerings of our common stock. Additionally, ~~in February 2018~~ **as of December 31** , **2023** we **had an outstanding** ~~issued $ 230. 0 million aggregate~~ principal amount of ~~0. 75 % Convertible Senior Notes due 2023, or the 2023 Notes. In June 2019, we issued~~ $ ~~316~~ **300** . ~~3~~ **9** million ~~aggregate principal amount~~ of 0. 75 % Convertible Senior Notes due 2026, or the 2026 Notes **and** ~~. In November 2020, we entered into a privately negotiated exchange and~~ - **an outstanding principal amount** ~~/ or subscription agreements with certain new investors and certain holders~~ of ~~our existing 2023 Notes to exchange~~ $ ~~181~~ **189** . ~~9~~ **6** million of ~~our 2023 Notes for $ 210. 7 million of our~~ 0. 125 % Convertible Senior Notes due 2025, or the ~~2025 Notes, and to issue $ 139. 3 million of incremental 2025 Notes to new investors, resulting in the issuance of an aggregate of $ 350. 0 million principal amount of~~ 2025 Notes. In the future, we may issue additional securities to raise capital or in connection with investments and acquisitions. In addition, a substantial number of shares of our common stock are reserved for issuance upon conversion of ~~our convertible notes issued in connection with~~ the ~~offering of the 2023 Notes, 2025 Notes,~~ 2026 Notes and ~~exercise of our warrants issued in connection with the 2023~~ **2025** Notes. The amount of our common stock issued in connection with any ~~such issuance~~ **future stock offering, investment, acquisition or conversion of the 2026 Notes and 2025 Notes** could constitute a material portion of our then outstanding stock. Due to these factors, sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. If securities or industry analysts publish unfavorable or misleading research about our business, or cease coverage of our company, our stock price and trading volume could decline. The trading market for our common stock is influenced in part by the research and reports that securities or industry analysts publish about us or our business. If one or more of the securities or industry analysts who covers us downgrades our stock or publishes unfavorable or misleading research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, we could lose visibility in the market for our stock, and demand for our stock could decrease, which could cause our stock price or trading volume to decline. Our stock price has been and may continue to be highly volatile. The trading price of our common stock has been and may continue to be highly volatile and could be subject to wide fluctuations in response to various factors, including the risk factors described in this report, and other factors beyond our control. Additional factors affecting the trading price of our common stock include **, among others** : • variations in our operating results or the operating results of similar companies; • announcements of technological innovations, new solutions or enhancements or strategic partnerships or agreements by us or by our competitors; • changes in the estimates of our operating results, our financial guidance or changes in recommendations by any securities analysts that follow our common stock; • the gain or loss of customers, particularly our larger customers; • adoption or modification of regulations, policies, procedures or programs applicable to our business and our customers' business; • **uncertainties in the financial services industries; • public disclosures or** marketing and advertising initiatives by us or our competitors **; • concerns related to actual or perceived security breaches, outages or other defects related to our solutions** ; • threatened or actual litigation; • changes in our senior management; ~~and~~ • recruitment or departure of key personnel **; and • the occurrence of any adverse events or circumstances described in these risk factors** . In addition, the stock market in general and the market for technology companies in particular ~~,~~ have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may harm the market price of our common stock regardless of our actual operating performance. Each of these factors, among others, could adversely affect your investment in our common stock. Some companies that have had volatile market prices for their securities have had securities class action lawsuits filed against them. If a suit were filed against us, regardless of its merits or outcome, it could result in substantial costs and divert management' s attention. We currently do not intend to pay dividends on our common stock, and, consequently, the only opportunity to achieve a return on investment is if the price of our common stock appreciates. We have never declared nor paid cash dividends on our capital stock. We currently do not plan to declare dividends on shares of our common stock in the foreseeable future. We currently intend to retain any future earnings to finance the operation and expansion of our business. Any payment of future dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant. Consequently, the only opportunity to achieve a return on investment in our company will be if the market price of our common stock appreciates and shares are sold at a profit. There is no guarantee that the price of our common stock that will prevail in the market will ever exceed the price that is paid for our common stock. Anti- takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock. We are a Delaware corporation and the anti- takeover provisions of the Delaware General Corporation Law, which apply to us, may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the stockholder becomes an interested stockholder, even if a change in control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. Our certificate of incorporation and bylaws: • authorize the issuance of" blank check" preferred stock that could be issued by our board of directors to help defend against a takeover attempt; • require that directors only be removed from office for cause and only upon a supermajority stockholder vote; • provide that vacancies on the board of directors, including newly created directorships, may be filled only by a majority vote of directors then in office rather than by stockholders; • prevent stockholders from calling special meetings; • include advance notice procedures for stockholders to nominate candidates for election as directors or bring matters before an annual meeting of stockholders; • prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders; and • provide that certain litigation against us can only be brought in Delaware. We may not be able to obtain capital when desired on favorable terms, if at all, and we may not be able to obtain capital or complete acquisitions through the use of equity or without dilution to our stockholders. We may need additional financing to execute on our current or future business strategies, including to develop new or enhance existing products and services, acquire businesses and technologies, or otherwise to respond to competitive pressures. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders could be significantly diluted, and newly ~~-~~issued securities may have rights, preferences or privileges senior to those of existing stockholders. If we accumulate additional funds through debt financing, a substantial portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, thus limiting funds available for our business activities. We cannot assure you that additional financing will be available on terms favorable to us, or at all. If adequate funds are not available or are not available on acceptable terms, when we desire them, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our products and services, or otherwise respond to competitive pressures would be significantly limited. Any of these factors could harm our results of operations and negatively impact the trading price of our common stock. Risks Related to Our Convertible Notes We incurred indebtedness by issuing our ~~2023 Notes in 2018, our~~ 2026 Notes in 2019, and our 2025 Notes in 2020, and our debt repayment obligations may adversely affect our financial condition and cash flows from operations in the future. Our indebtedness under our convertible notes may impair our ability to obtain additional financing in the future for general corporate purposes, including working capital, capital expenditures, potential acquisitions and strategic transactions, and a portion of our cash flows from operations may have to be dedicated to repaying the principal of the ~~2023 Notes in 2023, the principal of the~~ 2026 Notes in 2026 ~~,~~ and the principal of the 2025 Notes in 2025 or earlier if necessary. Our ability to meet our debt obligations will depend on our future performance, which will be affected by financial, business, economic, regulatory and other factors. We cannot control many of these factors. Additionally, if our stock price trades at a level where the conversion of any series of our convertible notes is not economical for holders of such convertible notes, the conversion of the applicable series of convertible notes is highly unlikely. This will result in us needing to repay the full aggregate principal amount outstanding of the applicable series of our convertible notes, plus accrued and unpaid interest and additional amounts (if any) at maturity in lieu of settling conversions of the convertible notes, and extinguishing our indebtedness under such convertible notes, with shares of our common stock. Our future operations may not generate sufficient cash to enable us to repay our debt, including the ~~2023~~ **2026** Notes ~~,~~ **or** 2025 ~~Notes or 2026~~ Notes. If we fail to make a payment on our debt, we could be in default on such debt. If we are at any time unable to pay our indebtedness when due, we may be required to renegotiate the terms of the indebtedness, seek to refinance all or a portion of the indebtedness or obtain additional financing. There can be no assurance that, in the future, we will be able to successfully renegotiate such terms, that any such refinancing would be possible or that any additional financing could be obtained on terms that are favorable or acceptable to us. In addition, holders of each series of our convertible notes will have the right to require us to repurchase all or a portion of their notes upon the occurrence of a fundamental change, as defined in the respective indentures, at a repurchase price equal to 100 % of the principal amount of the notes to be repurchased, plus accrued and unpaid interest. Upon conversion of each series of convertible notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the series of notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the series of convertible notes surrendered therefore or at the time such series of convertible notes is being converted. In addition, our ability to repurchase each series of convertible notes or to pay cash upon conversions of each series of convertible notes may be limited by law, by regulatory authority or by agreements governing our future indebtedness. Our failure to repurchase a series of convertible notes at a time when the repurchase is required by the applicable indenture or to pay any cash payable on future conversions of such series of convertible notes as required by the indenture governing such series of convertible notes would constitute a default under such indenture. A default under one of the indentures governing our convertible notes or a fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the notes or make cash payments upon conversions thereof. An event of default under an indenture governing any of our convertible notes may lead to an acceleration of the applicable series of notes. Any such acceleration could result in our bankruptcy. In a bankruptcy, the holders of our convertible notes would have a claim to our assets that is senior to the claims of our equity holders. Conversion of the convertible notes could dilute the ownership interest of our existing stockholders or may otherwise depress the price of our common stock. The conversion of some or all of our convertible notes could dilute the ownership interests of existing stockholders. Any sales in the public market of our common stock issuable upon such conversion of our convertible notes could adversely affect prevailing market prices of our common stock. In addition, the existence of the convertible notes may encourage short selling by market participants because the conversion of the notes could be used to satisfy short positions, or anticipated conversion of the convertible notes into shares of our common stock could depress the price of our common stock. **The capped call** ~~Our convertible notes bond hedges and warrant~~ transactions entered into in connection with the offering of the ~~2023~~ **2026 Notes and 2025** Notes may affect the value of our common stock. In connection with the offering of the ~~2023~~ **2026 Notes and 2025** Notes, we entered into **capped call** ~~convertible notes bond hedges, or Bond Hedges,~~ transactions with one or more counterparties **,** ~~. We also entered into warrant transactions with the counterparties pursuant to which we sold warrants for~~ - **or** the ~~purchase~~ **Capped Calls. The Capped Calls cover, subject to customary adjustments, the number of shares** of our common stock **initially underlying the 2026 Notes and 2025 Notes** . The **Capped Calls** ~~Bond Hedges transactions related to the 2023 Notes~~ are expected ~~generally~~ to ~~reduce~~ **offset** the potential dilution **and /** ~~upon any conversion of 2023 Notes~~ or offset any cash payments we are required to make in excess of the principal amount ~~upon~~ **of converted 2026 Notes or 2025 Notes, as a result of** conversion of ~~any~~ **the** ~~2023~~ **2026** Notes ~~. The warrant transactions could separately have~~ **or 2025 Notes, with such offset subject to** a **cap** ~~dilutive effect to the extent that the market price per share of our common stock exceeds the strike price of the warrants~~ . In connection with establishing their initial hedges of the **Capped Calls** ~~2023 Bond Hedges and warrant transactions~~ , the counterparties or their respective affiliates purchased shares of our common stock or entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the ~~2023~~ **2026 Notes and 2025** Notes. The counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various 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 ~~2023~~ **2026 Notes and 2025** Notes, and are likely to do so during any observation period related to a conversion of **the** ~~2023~~ **2026 Notes or 2025** Notes or following any repurchase of ~~2023~~ **2026 Notes or 2025** Notes by us. This activity could also cause or avoid an increase or a decrease in the market price of our common stock. ~~The capped call transactions entered into in connection with the offering of the 2025 Notes and 2026 Notes may affect the value of our common stock. In connection with the offering of the 2025 Notes and 2026 Notes, we entered into capped call transactions with one or more counterparties, or the Capped Calls. The Capped Calls cover, subject to customary adjustments, the number of shares of our common stock initially underlying the 2025 Notes and 2026 Notes. The Capped Calls are expected to offset the potential dilution and / or offset any cash payments we are required to make in excess of the principal amount of converted 2025 Notes or 2026 Notes, as a result of conversion of the 2025 Notes or 2026 Notes, with such offset subject to a cap. In connection with establishing their initial hedges of the Capped Calls, the counterparties or their respective affiliates purchased shares of our common stock or entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the 2025 Notes and 2026 Notes. The counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various 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 2025 Notes and 2026 Notes, and are likely to do so during any observation period related to a conversion of the 2025 Notes or 2026 Notes or following any repurchase of 2025 Notes or 2026 Notes by us. This activity could also cause or avoid an increase or a decrease in the market price of our common stock.~~ We are subject to counterparty risk with respect to the ~~bond hedge, warrant and~~ capped call transactions, and they may not operate as planned. The option counterparties to our ~~bond hedge, warrant and~~ capped call transactions entered into in connection with the convertible notes are financial institutions, and we will be subject to the risk that they might default under these derivative transactions. Our exposure to the credit risk of these counterparties will not be secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with that option counterparty. Our exposure will depend on many factors, but, generally, the increase in our exposure will be correlated with increases in the market price or the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock underlying the convertible notes. We can provide no assurances as to the financial stability or viability of any option counterparty. In addition, the ~~bond hedge, warrant and~~ capped call transactions are complex, and they may not operate as planned. For example, the terms of each may be subject to adjustment, modification or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these transactions may not operate as we intend if we are required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the ~~bond hedge, warrant and~~ capped call transactions. Certain provisions in the indentures governing our convertible notes may delay or prevent an otherwise beneficial takeover attempt of us and may affect the trading price of our common stock. Certain provisions in the indentures governing our convertible notes may make it more difficult or expensive for a third party to acquire us. For example, the indentures governing our convertible notes will require us to repurchase the convertible notes for cash upon the occurrence of a fundamental change (as defined in the respective indentures) of us and, in certain circumstances, to increase the conversion rate for a holder that converts the convertible notes in connection with a make- whole fundamental change. A takeover of us may trigger the requirement that we repurchase our convertible notes, and / or increase the conversion rate, which could make it more costly for a potential acquirer to engage in such takeover. Such additional costs may have the effect of delaying or preventing a takeover of us that would otherwise be beneficial to investors in our common stock. If any of the conditional conversion features of any series of convertible notes is triggered, our financial condition and operating results may be adversely affected which could decrease the trading price of our common stock. In the event any of the conditional conversion features of the ~~2023~~ **2026** Notes ~~,~~ **or** 2025 ~~Notes or 2026~~ Notes is triggered, note holders will be entitled to convert their ~~2023~~ **2026** Notes ~~,~~ **or** 2025 ~~Notes or 2026~~ Notes, as applicable, at any time during specified periods at their option. If one or more holders elect to convert the ~~2023~~ **2026** Notes ~~,~~ **or** 2025 ~~Notes or 2026~~ Notes, as applicable, we may 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), which would result in dilution to the holders of our common stock. If we elect to or would be required to settle a portion or all of our conversion obligation in cash, it could adversely affect our liquidity, which may negatively impact the trading price of our common stock. In addition, even if holders of the ~~2023~~ **2026** Notes ~~,~~ **or** 2025 ~~Notes or 2026~~ Notes do not elect to convert their ~~2023~~ **2026** Notes ~~,~~ **or** 2025 ~~Notes or 2026~~ Notes, as applicable, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the ~~2023~~ **2026** Notes ~~,~~ **or** 2025 ~~Notes or 2026~~ Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital, which may negatively impact the trading price of our common stock. ~~54~~