Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to our Business and Operations Wireless service to our customers could be adversely impacted by network rationalization. We have an active program to consolidate the number of wireless networks and related transmitter locations, which is referred to as network rationalization. Network rationalization is necessary to match our technical infrastructure to our smaller subscriber base and to reduce both site rent and telecommunication costs. The implementation of the network rationalization program could adversely impact wireless service to our new and existing subscribers, and there can be no assurance that any efforts to minimize that impact would be successful. Any adverse impact to our wireless service could lead to increases in the rate of gross subscriber cancellations and / or the level of wireless revenue erosion. Adverse changes in gross subscriber cancellations and / or wireless revenue erosion could have a material adverse effect on our business, financial condition, operating results and ability to pay cash dividends to stockholders. We depend on highly skilled personnel, and, if we are unable to retain or hire qualified personnel, we may not be able to achieve our strategic objectives. To execute our growth plan and achieve our strategic objectives, we must continue to attract, hire and retain highly qualified and motivated personnel across our organization. In particular, to continue to enhance our software solutions, add new and innovative core functionality and services and develop new products, it is critical for us to maintain a strong research and development organization, including hiring and retaining highly skilled software engineers. Competition for talent is intense within our industry, and there continues to be upward pressure on compensation **especially as a result of higher inflation** . In addition, for us to achieve broader market acceptance of our software solutions, grow our customer base, and pursue adjacent markets, we will need to continue to develop and maintain our sales and marketing and customer support organizations. Identifying and recruiting qualified personnel, training them in the use of our software solutions and ensuring they are well- equipped to serve our customers requires a significant investment of time and resources, and it can be particularly difficult to retain these individuals. We face significant competition for experienced personnel, and many of our competitors **for talent** have greater name recognition and financial resources than we have. If we hire employees from competitors or other companies, former employers may assert claims against us for breach of legal obligations to the former employer, resulting in a diversion of our time and resources. In addition, the job market **for technology roles** ~~in the Minneapolis- St. Paul area, where the majority of our software developers are located,~~ has historically been very competitive. While we are able to expand our candidate pool by opening our opportunities nationwide, allowing us to be more competitive, the job market continues to be a challenge everywhere, making it vitally important to retain our current team members. When considering employment opportunities, candidates and existing employees often consider the value of ~~the~~ equity awards. If the actual or perceived value of our equity awards declines, or if the price of our common stock experiences significant volatility, this may adversely affect our ability to recruit and retain highly skilled employees. As a result, we may have greater difficulty hiring and retaining skilled personnel than some of our competitors. If we are unable to attract and retain the personnel necessary to execute our growth plan, we may be unable to achieve our strategic objectives **,** and our business, financial condition, operating results and ability to pay cash dividends to stockholders may be adversely affected. Growth in our software revenue and bookings, and maintenance of our wireless revenue and subscriber base is dependent on the productivity of our sales organization. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and may take significant time before they achieve full productivity. Based on past experience, we expect new sales team members to reach full productivity after nine **to 12** months of employment. However, our recent and planned hires may not become productive as quickly as expected, or at all, and we may be unable to hire or retain a sufficient number of qualified individuals in the markets in which we do business or plan to do business. From time to time **,** it may be necessary to reorient our sales representatives to focus on specific market segments, product lines or new software solutions or to remove underperforming individuals, which may require additional resources to maintain productivity. The impact of these changes could adversely impact our ability to achieve our sales productivity goals. We have also identified the following risks that could impact our sales productivity: • Customer Dissatisfaction and Reputational Harm. We may experience customer dissatisfaction with our solutions that could result in lost opportunities for sales. Potential low ratings of our solutions by customers may result in us being excluded from consideration by current and prospective customers with respect to future opportunities. In addition, fewer customer references for our solutions could impact our ability to prospect new sales. • Training. Training of our marketing and sales personnel regarding the clinical requirements of our healthcare customers and the complexity of our service offerings, takes time and requires a substantial, continuing investment for both new hires and long-term employees. • Competitive Speed. Sales productivity can be impacted by the capabilities of our competitors. There is a risk that competitors may innovate or partner faster than we do. • Employee Retention. The items noted above may challenge the ability of employees to generate sales, which may affect morale and employee retention. ~~• Customer Uncertainty. The discontinuation of Spok Go may create a perception of uncertainty regarding our future operations, which may limit our ability to sell products and services to prospective customers. Additionally, this perceived uncertainty may contribute to an increase in churn of existing customers.~~ If we are unable to deliver effective customer support, our relationships with our existing customers and our ability to attract new customers could be harmed **.** Our revenue growth depends, in part, on our ability to satisfy our customers, including by providing continued customer support, which may contribute to increased customer retention and adoption and utilization of our wireless services and software solutions. Once our wireless services and software solutions are deployed, our customers depend on our customer support group to resolve technical issues relating to their use of our

solutions. We may be unable to respond quickly to accommodate short- term increases in customer demand for support services or may otherwise encounter difficult customer issues. If a customer is unsatisfied with the quality of our customer support, we may incur additional costs or experience customer terminations or non- renewals. Our sales process is highly dependent on the ease of use of our wireless services and software solutions, our reputation and positive recommendations from our existing customers. Any failure to maintain high- quality or responsive customer support, or a market perception that we do not maintain high- quality or responsive customer support, could harm our reputation, cause us to lose customers and adversely impact our ability to sell our wireless services and software solutions to prospective customers. We have investigated potential acquisitions and may not be able to identify an opportunity at favorable terms or have the ability to close on the financing necessary to consummate the transaction. We cannot provide any assurances that we will be successful in finding such acquisitions or consummating future acquisitions on favorable terms. We anticipate that future acquisitions will be financed through a combination of methods, including, but not limited to, the use of available cash on hand, and, if necessary, borrowings from third- party financial institutions. Disruptions or volatility in credit markets may impede our access to capital markets, including higher borrowing costs, less available capital, more stringent terms and tighter covenants, and may limit our ability to finance acquisitions. We have investigated potential acquisitions and may be unable to successfully integrate such acquisitions into our business and may not achieve all or any of the operating synergies or anticipated benefits of those acquisitions. We continue to evaluate acquisitions of other businesses that we believe will yield increased cash flows, improved market penetration and / or operating efficiencies and synergies. We may face various challenges with integration efforts related to any future acquisitions, including the combination and simplification of product and service offerings, sales and marketing approaches and establishment of combined operations. We may have limited or no history of owning and operating any business that we acquire. If we were to acquire these businesses, there can be no assurance that: • Such businesses will perform as expected; • Such businesses will not incur unforeseen obligations or liabilities; • Such businesses will generate sufficient cash flow to support the indebtedness, if incurred, to acquire such business or the expenditures needed to develop such business; and • The rate of return from such businesses will justify the decision to invest the capital to acquire them. There can be no assurance that we will manage these challenges and risks successfully. Moreover, if we are not successful in completing transactions that we have pursued or may pursue, our business may be adversely affected, and we may incur substantial expenses and divert significant management time and resources. In addition, while pursuing and completing such transactions, we could use substantial portions of our available cash to pay for all or a portion of the purchase price or retention incentives to employees of the acquired business, or we may incur substantial debt. We could also issue additional securities to finance all or a portion of the purchase price for these transactions or as retention incentives to employees of the acquired business, which could cause our stockholders to suffer significant dilution. Such transactions may not generate additional revenue or profit for us, or may take longer than expected to do so, which may adversely affect our business, financial condition, operating results and cash flows. ~~Our business, financial condition and operating results have been, and in the future may be, adversely affected by the COVID- 19 pandemic. Our business, financial condition and operating results have been, and in the future may be, adversely affected by the COVID- 19 pandemic. Beginning in early 2020, the COVID- 19 pandemic caused delays in, or the loss of, revenue from services that required onsite implementation, as well as delays in, or the loss of, software bookings, which directly impacted license and services revenues, as healthcare organizations put these projects on hold to focus limited resources and personnel capacity towards the treatment of COVID- 19. The COVID- 19 pandemic also contributed to global supply chain disruptions, including delayed production of certain products that we offer, such as our GenA pagers. The extent to which COVID- 19 may impact our results in the future will depend on future developments, which are highly uncertain and cannot be predicted. These developments may include the emergence of new COVID- 19 variants of concern, as well as actions taken to further contain the virus or treat its impact, the possible reinstatement of government or other restrictions implemented in certain locations, and the acceptance, distribution and effectiveness of new and existing vaccines and other medications to treat and prevent the spread of COVID- 19.~~ Economic conditions that are largely out of our control may adversely affect our financial condition and statement of operations. Our business is sensitive to recessionary economic cycles, higher interest rates, inflation, higher levels of unemployment, higher tax rates and other changes in tax laws, or other economic factors that may affect business spending or buying habits that could adversely affect the demand for our services. ~~This adverse~~ **Adverse economic conditions** ~~impact, including results of any continuing effects of the COVID- 19 pandemic,~~ could increase the rate of gross subscriber cancellations and / or the level of revenue erosion for our wireless business and could cause delays in or the loss of software revenue or bookings, which impacts license, professional services, ~~equipment~~ **hardware** and subscription revenues. A significant portion of our revenue is derived from healthcare customers, and we are impacted by changes in the healthcare economic environment. The healthcare industry is highly regulated and is subject to changing political, legislative, regulatory, and other economic developments. These developments can have a dramatic effect on the decision- making and spending by our customers for information technology and software. This economic uncertainty can add to the unpredictability of decision- making and lengthen our sales cycle. ~~Further, the uncertainty created by the possibility of additional healthcare reform legislation is impacts customer decision making and information technology plans in our key healthcare market.~~ We are unable to predict the full consequences of this uncertainty on our operations. Adverse changes in the economic environment could adversely impact our ability to increase the prices we charge for our offerings, while effectively managing customer churn, or **to** successfully market and sell our wireless and software solutions to healthcare customers. Risks Related to our Products and Services The rate of wireless subscriber and revenue erosion could exceed our ability to reduce wireless operating expenses in order to maintain overall positive operating cash flow from our wireless business. Our wireless revenue is dependent on the number of subscribers that use our paging devices. Our customers may not renew their subscriptions after the expiration of their subscription agreements. In addition, our customers may opt for one of our lower- priced offerings or for fewer subscriptions. Customer renewal rates may decline or fluctuate due to a number of factors, including their level of satisfaction with our offerings and

their ability to continue their operations and spending levels. Increasing awareness and concern over HIPAA / HITECH compliance is causing healthcare organizations, our largest customer segment, to re- evaluate paging subscriptions for clinical use cases when users are not equipped with our encrypted pager offerings. We face intense competition for subscribers from other paging service providers and alternate wireless communications providers, such as mobile phone and mobile data service providers. There is a risk that our competitors' products may provide better performance or include additional features when compared to our offerings. Competitive pressures could also affect the prices we may charge or the demand for our offerings, resulting in reduced profit margins and loss of market share. In addition, new competitors may emerge as a result of changing dynamics and trends in the market and industry, and we may not be adequately prepared to respond to these changes in the healthcare landscape. If we are unable to compete effectively, our business, financial condition, operating results and ability to pay cash dividends to stockholders may be adversely affected. In addition to competition, our customer base may be impacted by the introduction of new technologies. As mobile communications technology evolves, competitors that provide wireless broadband data services may lower their prices to customers that approach, meet or undercut our prices for paging services. We are unable to predict how customer perceptions of the value of our wireless services will be impacted by the development of new wireless technologies. Our continued success will depend on our ability to adapt to rapidly changing technologies and user preferences, to adapt our offerings to evolving industry standards, to predict user preferences and industry changes in order to continue to provide value to our customers and to improve the performance and reliability of our offerings. Our failure to adapt to such changes could harm our business, and our efforts to adapt to such changes could require substantial expenditures on our part to modify our offerings or infrastructure. Delays in developing, completing or delivering new or enhanced offerings and technologies could result in delayed or reduced revenue for those offerings and could also adversely affect customer acceptance of those offerings and technologies. Even if we are able to enhance our existing offerings or introduce new offerings that are well perceived by the market, if our marketing or sales efforts do not generate interest in or sales for these offerings, they may be unsuccessful. We expect our wireless subscriber results, units in service and revenue will continue to decline for the foreseeable future. As this revenue erosion continues, maintaining positive operating cash flow from our wireless business is dependent on substantial and timely reductions in selected wireless operating expenses. Reductions in wireless operating expenses require both the reduction of internal costs and negotiation of lower costs from outside vendors. As we require fewer services and products from our vendors, our negotiating leverage to lower our costs is diminished. There can be no assurance that we will be able to reduce our wireless operating expenses commensurate with the level of revenue erosion. The inability to reduce wireless operating expenses would have a material adverse impact on our business, financial condition, operating results and ability to pay cash dividends to stockholders. Technical problems and higher costs may affect our product development initiatives. Our future software revenue growth depends on our ability to develop, introduce and effectively deploy new solutions and features to our existing software solutions. These new features and functionalities are designed to address both existing and new customer requirements. We may experience technical problems and additional costs as these new features are tested and deployed. Failure to effectively develop new or improved software solutions could adversely impact software revenue growth and could have a material adverse effect on our business, financial condition, operating results and ability to pay cash dividends to stockholders. Undetected defects, bugs, or security vulnerabilities in our products could adversely affect the market acceptance of new products, damage our reputation with current or prospective customers, and materially and adversely affect our operating costs. Software products, such as those we offer, may contain defects **, vulnerabilities** and bugs when they are first introduced or as new versions are released, or their release may be delayed due to unforeseen difficulties during product development. If any of our products, including products of companies we have acquired, or third- party components used in our products, contain defects **, vulnerabilities** or bugs, or have reliability, quality or compatibility problems, we may not be able to successfully design workarounds or resolve these issues. Any defects **or vulnerabilities** we do not detect and fix in pre- release testing could result in reduced sales and revenue, damage to our reputation, repair or remediation costs, delays in the release of new products or versions or legal liability **. In addition, we do not control the quality, security or testing of various third-party software, hardware or infrastructure products that are utilized in our business** . There can be no assurance that provisions in our license agreements that limit our exposure to liability will be sufficient or withstand legal challenge. Computer programmers and hackers also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our **or a critical third party' s** products or otherwise exploit any security vulnerabilities of ~~our~~ **such** products. We are dependent on the U. S. healthcare provider industry for most of our revenue. We generate more than 75 % of our revenue from sales to hospitals and other healthcare provider organizations in the United States. These customers, both non- profit and for-profit, are greatly affected by macroeconomic conditions, ~~the COVID- 19 pandemic~~ **pandemics or other public health emergencies** , healthcare reform legislation and the reimbursement policies of federal and state governments and health insurance companies, and any decline in revenue received by our customers due to adverse economic conditions **, pandemics or other public health emergencies,** or legislative or regulatory changes could significantly affect the type and amount of services and products they order from us ~~. We do not anticipate any flexibility in increasing prices for our wireless services, notwithstanding general inflation, due to an unrelenting focus by our customers on their cost structures, and our customers could be slow to invest in our software products and professional services due to budgetary pressures~~ . We may experience a long sales cycle for our software products. Our software revenue growth results from a long sales cycle that from initial contact to final sales order may take ~~6~~ **six** to 18 months, depending on the type of software solution. Our software sales and marketing efforts involve educating our customers on the technical capabilities of our software solutions and the potential benefits from the deployment of our software, as well as educating ourselves as to the clinical needs of our customers. The inherent unpredictability of decision making in our target market segment of healthcare, resulting from customer budget constraints, multiple approvals and administrative issues, may result in fluctuating bookings and revenue from month to month, quarter to quarter and year to year. Our bookings and corresponding revenue are dependent on actions that have occurred in the past. Each

month we need to spend substantial time, effort, and expense on our marketing and sales efforts that may not result in future revenue. We may be unable to find vendors **that are** able to supply us with wireless paging equipment based on future demands. We purchase paging equipment from third- party vendors. This equipment is sold or leased to customers in order to provide wireless messaging services. The reduction in industry demand for paging equipment has caused various suppliers to cease manufacturing this equipment or increase prices for devices. There can be no assurance that we will continue to find vendors to supply paging equipment, or that the vendors will supply equipment at costs that allow us to remain a competitive alternative in the wireless messaging industry. A lack of paging equipment could impact our ability to provide certain wireless messaging services and could have a material adverse effect on our business, leading to additional wireless revenue erosion. We may be unable to maintain successful relationships with our channel partners. We use channel partners such as resellers, consulting firms, original equipment manufacturers, and technology partners to license and support our products. We rely, to a significant degree, on each of our channel partners to select, screen and maintain relationships with its respective distribution network and to distribute our offerings in a manner that is consistent with applicable law and regulatory requirements and our quality standards. Contract defaults by any of these channel partners or the loss of our relationships with them may materially adversely affect our ability to develop, market, sell, or support our communication solution offerings. If our indirect distribution channel is disrupted, we may be required to devote more resources to distribute our offerings directly and support our customers, which may not be as effective and could lead to higher costs, reduced revenue and growth that is slower than expected. Recruiting and retaining qualified channel partners and training them in the use of our enterprise technologies requires significant time and resources. If we fail to devote sufficient resources to support and expand our network of channel partners, our business may be adversely affected. In addition, because we rely on channel partners for the indirect distribution of our enterprise technologies, we may have little or no contact with the ultimate end- users of our technologies, thereby making it more difficult for us to establish brand awareness, ensure proper delivery and installation of our software, support ongoing customer requirements, estimate end- user demand, respond to evolving customer needs and obtain subscription renewals from end users. We may experience litigation claiming intellectual property infringement by us, and we may not be able to protect our rights in intellectual property that we own and develop. Intellectual property infringement litigation has become commonplace, particularly in the wireless and software industries in which we operate. Litigation can be protracted, expensive, and time consuming. There is no assurance that we will remain immune to this litigation. Any such claims, whether meritorious or not, could be time- consuming and costly in terms of both resources and management time. We may receive claims that we have infringed the intellectual property rights of others, including claims regarding patents, copyrights, and trademarks. The number and types of these claims may grow as a result of constant technological change in the segments in which our wireless services and software products compete, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents. Our patents, trademarks, copyrights and trade secrets relating to our wireless services and networks, and our software solutions, are important assets. The efforts we undertake to protect our proprietary rights may not be sufficient or effective. Any significant impairment of our intellectual property rights could harm our business and our ability to compete effectively. Protecting our intellectual property rights can be costly and time consuming. We seek to maintain certain of our intellectual property rights as trade secrets, including the source code for many of our software solutions and innovations. Our source code and system architecture may be reverse engineered by our competitors, or the secrecy of our solutions and designs could be compromised through a security breach, cyberattack or otherwise, or by our employees or former employees, intentionally or accidentally. Any compromise of our trade secrets could cause us to lose any competitive advantage our software solutions have and the investment we have made in developing our products and services. Our portfolio of issued patents and copyrights may be insufficient to defend ourselves against intellectual property infringement claims, and the validity and scope of our patents could be challenged by third parties were we to seek to enforce them. Risks Related to Technology Our use of open source software, third- party software and other intellectual property may expose us to risks. We license and integrate certain software components from third parties into our software, and we expect to continue to use third- party software in the future. Some open source software licenses require users who distribute or make available as a service open source software as part of their own software product to publicly disclose all or part of the source code of the users' developed software or to make available any derivative works of the open source code on unfavorable terms or at no cost. Our efforts to use the open source software in a manner consistent with the relevant license terms that would not require us to disclose our proprietary code or license our proprietary software at no cost may not be successful. We may face claims by third parties seeking to enforce the license terms applicable to such open source software, including by demanding the release of the open source software, derivative works or our proprietary source code that was developed using such software. In addition, if the license terms for the open source code change, we may be forced to re- engineer our software or incur additional costs. Some of our products and services include other software or intellectual property licensed from third parties, and we also use software and other intellectual property licensed from third parties in our business. This exposes us to risks over which we may have little or no control. For example, a licensor may have difficulties keeping up with technological changes or may stop supporting the software or other intellectual property that it licenses to us. There can be no assurance that the licenses we use will be available on acceptable terms, if at all. In addition, a third party may assert that we or our customers are in breach of the terms of a license, which could, among other things, give such third party the right to terminate a license or seek damages from us, or both. Our inability to obtain or maintain certain licenses or other rights or to obtain or maintain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could result in delays in releases of new products, and could otherwise disrupt our business, until equivalent technology can be identified, licensed or developed. In addition, sophisticated hardware and operating system software and applications that we procure from third parties may contain defects in design or manufacture, including" bugs," security vulnerabilities, and other problems that could unexpectedly interfere with the expected operation of our products and services or expose us to cyberattacks and security breaches. System disruptions and security threats to our computer networks,

satellite control or telecommunications systems, or to those of our service providers, could have a material adverse effect on our business. The performance and reliability of ~~our~~ computer **systems, hardware, software and satellite** ~~network~~ **networks** and telecommunications systems infrastructure **(collectively** ~~, as well as the technology infrastructure of~~ **" IT Systems ") is critical to our operations. We own and manage certain IT Systems but rely heavily on critical IT Systems that are owned and / or managed by** third parties ~~, are critical to our operations~~ . ~~This technology infrastructure~~ **These IT Systems** may be vulnerable to damage or interruption from natural disasters, power loss, telecommunication failures, terrorist attacks, software errors and other events. Any ~~computer~~ **IT** ~~system~~ **System** ~~or~~ **(such as a** satellite network **)** error or failure, regardless of cause, could result in a substantial outage that materially disrupts our operations. In addition, we face the threat to our computer systems, or those of our service providers, of unauthorized access, computer hackers, computer viruses, malicious code, organized cyber- attacks and other security problems and system disruptions (e. g., distributed denial of service (DDoS) attacks, ransomware attacks). Our ~~satellite network connections for our~~ wireless services depend ~~upon very small aperture terminals, many of which are based~~ on ~~decades~~ **connectivity provided by third** ~~old technology or equipment~~ **party satellite network services** that could fail and result in a loss of service to our customers. With respect to our Enterprise Reporting and Management systems and data storage, and other operational needs, we rely on third- party data centers and services for maintaining accessibility, reliability and uninterrupted connectivity, among other things. **Our** ~~A significant number of the systems making up this infrastructure are not redundant, and our~~ disaster recovery planning may not be sufficient for every eventuality, such as a ransomware attack that encrypts some or all of our or our service providers' **IT** ~~systems~~ **Systems** , data or infrastructure. We may not carry business interruption insurance sufficient to protect us from all losses that may result from interruptions in our services as a result of ~~technology~~ **IT Systems and** infrastructure failures or cyberattacks, or to cover all contingencies. We may be required to expend significant resources to protect against the threat of these **IT** ~~system~~ **System** disruptions or to remediate or otherwise alleviate problems caused by such disruptions. Any interruption in the availability of our websites and online interactions with customers or partners may cause a reduction in customer or partner satisfaction levels, which in turn could result in legal claims, reduced revenue or loss of customers or partners. There can be no assurance that any precautions we take will prove successful, and such problems could result in, among other consequences, a loss of data, a loss of confidence in the stability and reliability of our offerings, damage to our reputation, and legal liability, all of which may adversely affect our business, financial condition, operating results and cash flows. **We rely on data centers and other systems and technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties, to operate our business. Any major interruption or performance problems with these systems, technologies and networks may adversely affect our business and operating results. We rely on data centers and other systems and technologies provided by third parties. If key third parties are unable to perform services for us because of service interruptions or extended outages, or because those services are no longer available on commercially reasonable terms, our expenses could increase. Switching our technology to another service provider, if available, could result in significant disruption, data loss or corruption, or unsuccessful data transfers could cause data to be incomplete or contain inaccuracies. We do not control, or in some cases have limited control over, the data center facilities we use. These facilities are vulnerable to damage from earthquakes, floods, fires, power loss, telecommunications failures and similar events. These facilities may also be subject to theft, vandalism or other security related events. Despite precautions taken at these facilities, adverse events could result in lengthy interruptions in our services and the loss or corruption of, or** ~~Unauthorized~~ **unauthorized access to or acquisition of, customer data. In addition, the owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms. If we are required to relocate to another data center facility, we may not be able to rapidly identify and obtain new facilities, and we may incur significant costs or** ~~intrusions~~ **interruptions to our services, as a result. Our ability to provide services to our customers depends on our ability to communicate with customers through the public internet and electronic networks owned and operated by third parties. A major failure or disruption of the internet or third- party networks could impede our ability to provide services to our customers, result in a loss of customers, subject us to potential liabilities, result in contract terminations or adversely affect our renewal rates. Cyberattacks** , data breaches or **other compromises to** ~~failures in cybersecurity measures adopted by us or~~ **our** ~~our~~ - **or** ~~service providers and / or~~ **our** ~~included in our~~ **critical third parties' systems, data,** products ~~and~~ **or** services could have a material adverse effect on our business. **We rely heavily on a range** ~~Our security controls are designed to maintain the physical security~~ of **IT** ~~our facilities and to protect the systems~~ **Systems that for critical business operations. In addition, we and various third parties collect,** process and store our customers', suppliers' and employees' confidential information, as well as our own proprietary **business** information **(collectively," Confidential Information")** . We are also dependent on a number of third- party providers of various technology, tools and services relating to, among other things, human resources, electronic communications, data storage, finance, and other business functions, and we are, of necessity, dependent on the security systems of these providers. **We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of IT Systems and Confidential Information.** Accidental or willful cyberattacks, breaches or other unauthorized access events committed or enabled by third parties or by our employees or contractors (for example, due to social engineering or phishing attacks) can impact the security of **or disrupt access to** our facilities, our systems or the systems of our third- party providers, and the information maintained in such systems. In addition, ~~the existence of~~ computer viruses, malware **(for example, ransomware)** or security vulnerabilities in our or our service providers' data, software, products or services, as well as external cyberattacks and data breaches, could expose us to the risks of corruption, loss, and misappropriation of proprietary and confidential information. We also routinely transmit and receive proprietary and ~~confidential~~ **Confidential** ~~information~~ **Information** , including through third parties, which makes that information vulnerable to interception, misuse or mishandling. ~~We utilize a security framework that includes security policies and procedures, security appliances and software, third- party vulnerability testing, business continuity plans, and other~~

~~administrative, physical and technical measures.~~ The frequency and scope of cyberattacks has been steadily increasing, and attackers are increasingly sophisticated, using tools and techniques **, including artificial intelligence,** that we and our service providers may be unable to detect or identify, or that may cause significant delays in our detection or identification. Once identified, we and our service providers may be unable to investigate or remediate incidents due to attackers taking steps to obfuscate or remove forensic evidence and to circumvent logging tools and counter- measures, rendering us unable to anticipate or implement adequate preventative or restorative measures. We and our service providers **are routinely** ~~have, from time to time, been subject~~ **subjected** to **cyberattacks such as denial of service, attempted** unauthorized network intrusions, malware ~~and~~ **, viruses, social engineering (phishing), ransomware attacks or** other **persistent cyber threats** ~~cyberattacks. We expect cyberattacks to continue, as we are an attractive target for such attacks given our customer base and industry~~ . In addition, remote working arrangements ~~that started during the COVID~~ **at our Company and many third** - **party providers** ~~19 pandemic may continue in the future~~ , ~~which increases~~ - **increase** ~~the~~ **cybersecurity** ~~risk~~ **risks** ~~that threat actors will engage in social engineering~~ **due to the IT challenges associated with managing remote computing assets** and ~~exploit~~ vulnerabilities inherent in many non- corporate **and** home networks. **In sum, there can also be no assurance that our or our third- party providers' cybersecurity risk management programs, including relevant policies, processes and controls, will be fully implemented, complied with or effective in protecting IT Systems or Confidential Information that are critical to our business.** Any **cyberattack or incident that compromises the confidentiality, integrity or availability of IT Systems or Confidential Information, for example, the** theft, misuse of, or unauthorized access to ~~confidential~~ **Confidential** ~~, personal or proprietary information~~ **Information ,** ~~as a result of such incidents~~ could result in, among other things, unfavorable publicity, damage to our reputation, loss of our trade secrets and other competitive information, difficulty in marketing our products, increased costs of investigation, remediation and compliance, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties (including class actions) and possible financial obligations for liabilities and damages related to the theft or misuse of such information, regulatory investigations and enforcement actions, as well as fines and other sanctions pursuant to data privacy and security rules and regulations, any or all of which could have a material adverse effect on our reputation, operations, business, profitability and financial condition. Any losses, costs and liabilities may not be covered by, or may exceed the coverage limits of, any or all of our applicable insurance policies. Risks Related to our Financial Results We may be unable to realize the benefits associated with our deferred income tax assets. We have significant deferred income tax assets that are available to offset future taxable income and increase cash flows from operations. The use of these deferred income tax assets is dependent on the availability of taxable income in future periods. The availability of future taxable income is dependent on our ability to profitably manage our operations to support a growing base of software revenue offset by declining wireless subscribers and revenue. To the extent that anticipated reductions in wireless operating expenses do not occur or sufficient revenue is not generated, we may not achieve sufficient taxable income to allow for use of our deferred income tax assets. The accounting for deferred income tax assets is based upon an estimate of future results, and any valuation allowance we may apply to our deferred tax assets may be increased or decreased as conditions change or if we are unable to implement certain tax planning strategies. If we are unable to use these deferred income tax assets, our financial condition and statement of operations may be materially affected. In addition, a significant portion of our deferred income tax assets relate to net operating losses. If our ability to utilize these losses is limited, due to Internal Revenue Code (" IRC") Section 382, our financial condition and statement of operations may be materially affected. For example, we maintained a valuation allowance of $ 2. 3 million ~~and $ 24. 2 million~~ at December 31, **2023 and** 2022 ~~and 2021, respectively,~~ to reduce net deferred income tax assets as their realization did not meet the applicable more- likely- than- not criterion. If our long- lived assets or goodwill become impaired, we may be required to record significant impairment charges. We are required to evaluate the carrying value of our long- lived assets and goodwill. For long- lived assets, we assess quarterly whether circumstances exist which suggest that the carrying value of long- lived assets may not be recoverable. We evaluate goodwill for impairment at least annually, or when events or circumstances suggest a potential impairment has occurred. We generally perform this annual goodwill impairment test in the fourth quarter of the fiscal year. If our long- lived assets or goodwill are deemed to be impaired, an impairment loss equal to the amount by which the carrying amount exceeds the fair value of the assets would be recognized. We may be required to record a significant charge in our financial statements during the period in which any impairment of our long- lived assets or goodwill is determined, which would negatively affect our results of operations. For example, as a result of our periodic evaluation of our capitalized software development costs, we recorded an impairment charge of $ 15. 7 million for the year ended December 31, 2021. Our estimates of market opportunity for our software solutions are subject to significant uncertainty **,** and, even if the markets in which we compete meet or exceed our size estimates, we could fail to increase our revenue or market share. Market opportunity estimates are based on assumptions and estimates, and our internal analysis and industry experience. However, assessing the market for clinical communication and collaboration solutions is difficult due to several factors, such as limited available information and rapid evolution of the market. Our estimates of market opportunity depend on the assumptions we made, and the estimated market opportunity could be materially different with different assumptions. Even if the markets in which we compete meet or exceed our size estimates, our software solutions may fail to gain market acceptance and our business may not grow in line with our forecasts. In addition, an increase in the prevalence of cloud- based offerings by our competitors could also unfavorably impact the pricing of our on- premise offerings and dampen overall demand for our on- premise offerings, which could have a material adverse impact on our business, financial condition and operating results. Risks Related to Regulatory Matters We are subject to data privacy and protection- related laws and regulation, and we may encounter issues with privacy and security of personal information. A substantial portion of our revenue comes from healthcare customers. As part of our business, we (or third parties with whom we contract) may receive, store and process our data, as well as our customers' and partners' private data and personal information. As such, our business is subject to a variety of federal, state and international laws and regulations that apply to the collection, use, retention, protection, disclosure, transfer and processing of

personal data. Our software solutions may handle or have access to personal health information subject in the United States to HIPAA, HITECH and related regulations as well as legislation and regulations in foreign countries. These statutes and related regulations impose numerous requirements regarding the use and disclosure of personal health information with which we and our software solutions must comply. Our failure to accurately anticipate or interpret these complex and technical laws and regulations could subject us to civil and / or criminal liability. Such failure could adversely impact our ability to market and sell our software solutions to healthcare customers ~~,~~ and have a material adverse impact on our software sales. In addition to personal health information, the Company may handle or have access to personal information in the European Union subject to the General Data Protection Regulation (the" GDPR"). The GDPR imposes several stringent requirements for controllers and processors of personal data and increases our obligations, including, for example, by requiring more robust disclosures to individuals, strengthening the individual data rights regime, shortening timelines for data breach notifications, limiting retention periods and secondary use of information, and imposing additional obligations when we contract third- party processors in connection with the processing of personal data. In addition, the GDPR restricts transfers of personal data outside of the European Economic Area and the UK, including to the United States, under certain scenarios. While lawful data transfer mechanisms have been proposed, there remains uncertainty, and we are exposed to potential investigations and enforcement in this area. The GDPR could limit our ability to use and share personal data or could cause our costs to increase and harm our business, financial condition, operating results and cash flows. Failure to comply with the requirements of the GDPR and the applicable European Union member states may result in fines of up to € 20, 000, 000 or up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties. To comply with the data protection rules imposed by the GDPR, we may be required to put in place additional mechanisms that could be onerous and adversely affect our business, financial condition, and operating results. Existing privacy- related laws and regulations in the United States and other countries are evolving and are subject to potentially differing interpretations, and various federal and state or other international legislative and regulatory bodies may expand or enact laws regarding privacy and data security- related matters. For example, in the U. S., the state of California enacted the California Consumer Privacy Act (" ~~CPPA~~ **CCPA** "), which came into effect ~~on~~ **in** January ~~1,~~ 2020, and the California Privacy Rights Act (" CPRA "), which **came** ~~will expand upon the CCPA and go~~ into effect in January 2023 **, expanding upon the CCPA** ~~(with a lookback period until January 2022)~~. The CCPA ~~requires (~~ and ~~the~~ CPRA ~~will~~ require ~~)~~ covered businesses to, among other things, provide certain disclosures to California consumers and afford such consumers certain privacy rights. The CCPA provides for civil penalties for violations, as well as a private right of action for certain security breaches that may increase security breach litigation. The CPRA imposes additional obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses and disclosure of sensitive personal information. The CPRA also creates a new California data protection agency authorized to issue substantive regulations and could result in increased privacy, cybersecurity and data protection enforcement. The CCPA and CPRA have spurred similar legislation in many other states, and we expect this trend to continue. In addition, customers may use our wireless services to transmit patient health information subject to HIPAA and other regulatory requirements. While we offer encrypted pagers to our customers, many customers use wireless devices provided by us that do not encrypt text messages. While we disclaim liability for customer non- compliance with HIPAA and other privacy requirements, there remains some risk we could be held responsible for privacy violations by our customers. There can be no assurance that the security and testing measures we take relating to our offerings and operations will prevent all security breaches and data loss that could harm our business or the businesses of our customers and partners. These risks may increase as we continue to grow our services and offerings and as we receive, store and process more of our customers' data. Actual or perceived vulnerabilities may lead to regulatory investigations, claims against us by customers, partners or other third parties, or costs, such as those related to providing customer notifications and fraud monitoring. There can be no assurance that any provisions in our customer agreements limiting our liability will be enforceable or effective under applicable law. In addition, the cost and operational consequences of implementing further data protection measures could be significant. The data privacy and protection- related laws and regulations to which we are subject are evolving, with new or modified laws and regulations proposed and implemented frequently, and existing laws and regulations subject to new or different interpretations. Any failure by us to comply with data privacy- and protection- related laws and regulations could result in enforcement actions, significant penalties or other legal actions against us or our customers or suppliers. An actual or alleged failure to comply, which could result in negative publicity, reduce demand for our offerings, increase the cost of compliance, require changes in business practices that result in reduced revenue, restrict our ability to provide our offerings in certain locations, result in our customers' inability to use our offerings and prohibit data transfers or result in other claims, liabilities or sanctions, including fines, and could have an adverse effect on our business, financial condition, operating results and cash flows. Our wireless products are regulated by the FCC and, to a lesser extent, state and local regulatory authorities. Changes in regulation could result in increased costs to us and our customers. We are subject to regulation by the FCC and, to a lesser extent, by state and local authorities. Changes in regulatory policy could increase the fees we must pay to the government or to third parties ~~,~~ and could subject us to more stringent requirements that could cause us to incur additional capital and / or operating costs. To the extent additional regulatory costs are passed along to customers, those increased costs could adversely impact subscriber cancellations. For example, the FCC issued an order in October 2007 that mandated paging carriers (including the Company) along with all other CMRS providers serving a defined minimum number of subscribers to maintain an emergency back- up power supply at all cell sites to enable operation for a minimum of eight hours in the event of a loss of commercial power (the" Back- up Power Order"). Ultimately, after a hearing by the U. S. Court of Appeals for the DC Circuit and disapproval by the Office of Management and Budget (the" OMB") of the information collection requirements of the Back- up Power Order, the FCC indicated that it would not seek to override the OMB' s disapproval. Rather the FCC indicated that it would issue a Notice of Proposed Rulemaking with the goal of adopting revised back- up power rules. To date, there has been

no Notice of Proposed Rulemaking by the FCC , and we are unable to predict what impact, if any, a revised back- up power rule could have on our business, financial condition, operating results and ability to pay cash dividends to stockholders. As a further example, the FCC continues to consider changes to the rules governing the collection of universal service fees. The FCC is evaluating a flat monthly charge per assigned telephone number as opposed to assessing universal service contributions based on telecommunication carriers' interstate and international revenue. There is no timetable for any rulemaking to implement this numbers- based methodology. If the FCC adopts a numbers- based methodology, our attempt to recover the increased contribution costs from our customers could significantly diminish demand for our services, and our failure to recover such increased contribution costs could have a material adverse impact on our business, financial condition and operating results. Certain of our software products are regulated by the FDA. The application of or changes in regulations could impact our ability to market new or revised software products to our customers. Certain of our software products are regulated by the FDA as medical devices. The classification of our software products as medical devices means that we are required to comply with certain registration and listing, labeling, medical device reporting, removal and correction, and good manufacturing practice requirements. Updates to these products or the development of new products could require us to seek clearance from the FDA before we are permitted to market or sell these software products. In addition, changes to FDA regulations could impact existing software products or require updates to existing products. The impact of delays in FDA clearance or changes to FDA regulations could impact our ability to market or sell our software products and could have a material adverse effect on our business, financial condition, operating results and ability to pay cash dividends to stockholders.