

Risk Factors Comparison 2025-02-12 to 2024-02-09 Form: 10-K

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The following discussion of "Risk Factors" identifies factors that may adversely affect our business, operations, financial condition or future performance. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Result of Operations" and the consolidated financial statements and related notes. The following discussion of risks is not all-inclusive but is designed to highlight what we believe are the material factors to consider when evaluating our business and expectations. These factors could cause our future results to differ materially from our historical results and from expectations reflected in forward-looking statements.

Economic and Strategic Risks We face significant competition that may ~~reduce~~ **negatively affect our profits operating results**. We face significant competition in our industries. The rapid development of new technologies, services and products has eliminated many of the traditional distinctions among wireless, cable, internet and ~~other local and long distance~~ communication services and brought new competitors to our markets, including other telecommunications companies, cable companies, wireless service providers, satellite providers, technology companies and application and device providers. While these changes have enabled us to offer new types of products and services, they have also allowed other providers to broaden the scope of their own competitive offerings. If we are unable to **successfully differentiate our** ~~compete effectively, we could experience lower than expected revenues and earnings. Wireless service services providers and products from our competitors, it could adversely affect our competitive position and market are share . Our competitors commonly~~ **significantly altering the financial relationships with their customers through commercial offers— offer aggressive that vary service and device pricing, promotions, premium content options and other** incentives and levels of service provided— in some cases specifically targeting our customers and putting pressure on **our** pricing and margins. In addition, we expect the wireless industry's customer growth rate to moderate over time in comparison to historical growth rates, leading to increased competition for customers. Our ability to compete effectively will depend on, among other things, our network reliability, speed, capacity and coverage, the pricing of our products and services, **our and our competitors' promotional strategies**, the quality of our customer service, our development of new and enhanced products and services, the reach and quality of our sales and distribution channels, our ability to market our products and services effectively and our capital resources. It will also depend on how successfully we anticipate and respond to various factors affecting our industries, including regulatory changes, new technologies and business models, such as the increasing use of **AI artificial intelligence** and machine learning technologies, changes in consumer preferences and demand for existing services, demographic trends and evolving **geopolitical and** economic conditions, including inflation. If we are not able to respond successfully to these competitive challenges, our results of operations and financial condition could be adversely impacted. In addition, a sustained decline in a reporting unit's revenues and earnings has resulted in the past, and may again result in the future, in a significant negative impact on its fair value requiring us to record an impairment charge, which could have an adverse impact on our results of operations. If we are not able to take advantage of developments in technology and address changing consumer demand on a timely basis, or if the **ongoing** deployment of our 5G network is delayed or hindered for any reason, we may experience a decline in the demand for our services, be unable to implement our business strategy and experience reduced profits. Our industries are rapidly changing as new technologies are developed that offer consumers an array of choices for their communications needs and allow new entrants into the markets we serve. In order to grow and remain competitive, we will need to adapt to future changes in technology, enhance our existing offerings and introduce new offerings to address our customers' changing demands. If we are unable to meet future challenges from competing technologies on a timely basis or at an acceptable cost, we could lose customers to our competitors. We may not be able to accurately predict technological trends or the success of new services in the market. If our new services fail to gain acceptance in the marketplace, or if costs associated with the implementation and introduction of these services materially increase, our ability to retain and attract customers could be adversely affected. The deployment of our 5G network is subject to a variety of risks, including those related to equipment availability, unexpected costs, and regulatory matters that could cause deployment delays or network performance issues. In addition, certain **advanced** use cases for 5G technologies and related ecosystems are still in **the** ~~early development stages~~ **phases of adoption** and their ultimate adoption or success is uncertain. These issues could result in significant costs, put us at a competitive disadvantage, or reduce the anticipated benefits of the enhancements to our networks. As we introduce new offerings and technologies, we expect to phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits. In addition, there could be legal or regulatory restraints on our ability to phase out current services. **Finally, we are using AI in our network deployment and maintenance as well as our customer and employee support services. There are technological, regulatory, ethical and other risks involved in deploying and using AI, particularly generative AI models. There can be no assurance that the usage of AI will meaningfully enhance our products or services or be beneficial to our business, including our efficiency or profitability. Our investments in AI and related technologies may not result in the benefits we anticipate or enable us to obtain or maintain a competitive advantage.** Adverse conditions in the U. S. and international economies could impact our results of operations and financial condition. Unfavorable economic conditions, such as a recession or economic slowdown in the U. S. or elsewhere, or inflation in the markets in which we operate, could negatively affect the affordability of and demand for some of our products and services and our cost of doing business. In difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of our products, electing to use fewer higher margin services, dropping down in price plans or obtaining lower-cost products and services offered by other companies. Similarly, under these

conditions, the business customers that we serve may delay purchasing decisions, delay or full implementation of our service offerings or, reduce their use of our services or choose lower-cost offerings from our competitors. In addition, adverse economic conditions may lead to an increased number of our consumer and business customers that are unable to pay for services. Unfavorable economic conditions could also amplify other risk factors discussed in this section report, including, but not limited to, those related to our competitive position and margins. Furthermore, our initiatives designed to reduce costs and improve operating efficiencies may be ineffective or insufficient. Over the last two several years, as a result of the inflationary environment in the U. S., we experienced increases in our direct costs, including electricity and other energy-related costs for our network operations, and transportation and labor costs, as well as increased interest expenses—expense related to rising changing interest rates. In 2022, these factors, along with impacts of the intense competition in our industries, resulted in lower earnings per share and caused us to lower our growth expectations and related financial guidance for that year. Similarly, We expect the inflationary environment and related pressures to continue into 2024. In that case and if other unfavorable economic conditions in continue or worsen, they— the future could have a material adverse effect on our results of operations and financial condition. Operational Risks **Cyberattacks** Cyber attacks impacting our networks or systems could have an adverse effect on our business. **Cyberattacks** Cyber attacks, including through the use of ransomware and other forms of malware, distributed denial of services attacks, credential harvesting, social engineering and other means for obtaining unauthorized access to or disrupting the operation of our networks and systems and those of our suppliers, vendors and other service providers, could have an adverse effect on our business. **Cyberattacks against companies, including Verizon, have increased in frequency, scope and potential harm in recent years. Cyberattacks may be perpetrated by a variety of groups or persons, including nation- state and state- sponsored actors, malicious actors, employees, contractors, or other unrelated third parties. Nation- state and state- sponsored actors can sustain malicious activities for extended periods and deploy significant resources to plan and carry out attacks. For example, in September 2024, we became aware that we were one of several telecommunications companies that were the subject of a cyberattack by a highly sophisticated nation- state actor known as Salt Typhoon. In that case, the threat actor was able to access portions of our network as part of what we determined to be a narrowly focused effort to obtain information about a limited number of individuals primarily involved in government or political activity. While we were able to contain the Salt Typhoon attack, we may be unable to contain or mitigate the impacts of a significant cyberattack in the future. Cyberattacks may cause equipment failures, loss of information, including sensitive personal information of customers or employees or valuable technical, financial and marketing information, as well as, Such attacks may also result in disruptions to our or our customers' operations —Cyber attacks against companies or our own business operations, including our ability to operate our networks Verizon, have increased in frequency, scope and potential harm in recent years systems, activate customers or take payments. They—Cyberattacks may occur alone or in conjunction with physical attacks, especially where disruption of service is an objective of the attacker. Further, The development and maintenance of systems to prevent such attacks is costly and requires ongoing monitoring and updating to address their— the increasing prevalence use of AI and machine learning by sophistication. While, to date, we have not been subject to cyber attacks that threat, individually or in the aggregate, have been material to Verizon's operations or financial condition, the preventive actions— actors we take to reduce the risks associated with cyber attacks, including protection of our systems and networks, may be insufficient to repel increase the frequency and severity of cyberattacks against us or mitigate the other companies effects of a cyber attack in the future. The inability to operate or use our networks and systems or those of our suppliers, vendors and other service providers as a result of cyberattacks cyber attacks, even for a limited period of time, may result in significant expenses to Verizon, a loss of current or future customers and / or a loss of market share to our competitors. The costs associated with a cyberattack cyber attack on Verizon could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cybersecurity measures and the use of alternate resources, lost revenues from business interruption and the costs of investigations and litigation, including potential damages. Further, certain of Verizon's businesses, such as those offering security solutions and infrastructure and cloud services to business customers, could be negatively affected if our ability to protect our own networks and systems is called into question as a result of a cyberattack cyber attack. Our presence in the IoT industry, which includes offerings of telematics products and services, could also increase our exposure to potential costs and expenses and reputational harm in the event of cyberattacks cyber attacks impacting these products or services. In addition, a compromise of security or a theft or other compromise of valuable information, such as financial data and sensitive or private personal information, could result in lawsuits and government claims, investigations or proceedings. Any of these occurrences could damage our reputation, adversely impact customer and investor confidence and result in a material adverse effect on Verizon's results of operation or financial condition. The development and maintenance of systems to prevent and detect cyberattacks is costly and requires ongoing monitoring and updating to address the increasing prevalence and sophistication of cyberattacks. In addition, due to the sophistication of threat actors, an attack may persist for an extended period of time before it is detected, and it may be difficult and time consuming to ascertain the extent of an attack once detected. While none of the cyberattacks to which we have been subject to date have been material to Verizon's operations or financial condition, there can be no guarantee that we will not experience a material cyberattack in the future. The actions we take to reduce the risks associated with cyberattacks, including protecting our systems and networks, may be insufficient to repel or mitigate the effects of a cyberattack in the future. Natural disasters, extreme weather conditions, acts of war, terrorist or other hostile acts could cause damage to our infrastructure and result in significant disruptions to our operations. Our business operations are subject to interruption by power outages, acts of war, terrorist or other hostile acts, natural disasters or the potential impacts of climate change, including the increasing prevalence and intensity of hurricanes, wildfires, flooding, hail and storms. Such events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers, as well as significant**

recovery time and expenditures to resume operations. Our system redundancy may be ineffective or inadequate to sustain our operations through all such events. We are implementing, and will continue to implement, measures to protect our infrastructure and operations from the impacts of these events in the future, but these measures and our overall disaster recovery planning may not be sufficient for all eventualities. These events could also damage the infrastructure of the suppliers that provide us with the equipment and services that we need to operate our business and provide products to our customers. These occurrences could result in lost revenues from business interruption, damage to our reputation and reduced profits. We depend on key suppliers and vendors to provide services and equipment that we need to operate our business. We depend on various key suppliers and vendors to provide us, directly or through other suppliers, with equipment and services, such as fiber, switch and network equipment, smartphones and other wireless devices, customer service support and other services that we need in order to operate our business. For example, our smartphone and other device suppliers often rely on one vendor for the manufacture and supply of critical components, such as chipsets, used in their devices, and there are a limited number of companies capable of supplying the network infrastructure equipment on which we depend. Our suppliers or vendors could fail to provide equipment or service on a timely basis, or fail to meet our performance expectations, for a number of reasons, including, for example, disruption to the global supply chain as a result of geopolitical factors, public health crises, natural disasters or the potential impacts of global climate change. If such failures occur, we may be unable to provide products and services as and when requested by our customers, or we may be unable to continue to maintain or upgrade our networks. Due to the cost and time lag that can be associated with transitioning from one supplier to another, our business could be substantially disrupted if we were required to, or chose to, replace the products or services of one or more major suppliers with products or services from another source, especially if the replacement became necessary on short notice. Any such disruption could increase our costs, decrease our operating efficiencies and have a material adverse effect on our business, results of operations and financial condition. A significant number of our suppliers and vendors are located or rely on operations outside of the U. S., which carries additional risks and regulatory obligations, including those related to cybersecurity, data privacy and compliance. Certain business practices in foreign countries may not align with U. S. laws and regulations. In addition, international operations increase our exposure to other risks, such as economic and geopolitical instability, fluctuations in exchange rates, and labor- related risks. The suppliers and vendors on which we rely are and may in the future be subject to litigation with respect to technology on which we depend, including litigation involving claims of patent infringement. Such claims are frequently made in the communications industry. We are unable to predict whether our business will be affected by any such litigation. We expect our dependence on key suppliers to continue as we develop and introduce more advanced generations of technology. A significant portion of our workforce is represented by labor unions, and we could incur additional costs or experience work stoppages as a result of the renegotiation of our labor contracts. As of December 31, 2023-2024, approximately 25.24.0% of our workforce is represented by the Communications Workers of America or the International Brotherhood of Electrical Workers. While we have labor contracts in place with these unions, with subsequent negotiations we could incur additional costs and / or experience work stoppages, which could adversely affect our business operations. In addition, while a small percentage of the workforce outside of our traditional wireline operations is represented by unions for bargaining, we cannot predict what impact increased union density in this workforce could have on our operations. Damage to our reputation or brands could adversely affect our business. We believe that our reputation and brands significantly contribute to the success of our business and our relationships with our customers, employees and other stakeholders. Our reputation and brands could be negatively affected by a number of factors, including actual or alleged quality or reliability issues related to our services and products; cybersecurity incidents and data breaches; allegations of legal noncompliance; litigation or regulatory activity; incidents involving unethical behavior or misconduct; material weaknesses in our internal controls over financial reporting; safety, human rights, workplace or labor issues; environmental incidents or impacts ; **allegations related to the safety of our products, services and equipment** ; governance issues; our sustainability goals and practices; our actual or perceived position or lack of position on social and other sensitive matters; the conduct of our employees, representatives or partners; activists' campaigns; negative sentiment about us shared over social media or the press; and other issues, incidents, or statements that, whether based on actual or perceived circumstances, result in adverse publicity. **In addition, changes to the content standards of social media platforms could impact our marketing and advertising initiatives on such platforms and increase risks related to our brand.** Damage to our reputation and brands could undermine our customers' confidence in us and reduce demand for our products and services, which could result in decreased revenue and adversely affect our business and financial results. If our reputation or brands are damaged, it could also attract regulatory scrutiny, increase litigation risks, affect our ability to attract and retain top talent, and reduce investor confidence in us. Public health crises could materially adversely affect our business, financial condition and results of operations. We are subject to risks related to public health crises, **such as which have in the past, and may in the future, have an adverse effect on our business, financial condition and operating results. For example, in 2020, the COVID- 19 pandemic , which had an and adverse resulting policies, initiatives and impacts, along with the related global slowdown in economic activity, resulted in our decreased revenues, increased costs and lower earnings per share. Negative effect effects on our operating results in 2020.** Our business is based on our ability to provide products and services to customers throughout the United States and around the world and the ability of those customers to use and pay for those products and services for their businesses and in their daily lives. As a result, our business, financial condition and results of operations could be materially adversely affected by a public health crisis that significantly **may include, but are not limited to, closure of our retail stores,** impacts **on the way customers ' use of our networks, products and are able services and their ability** to pay for our products and services, **the them , way our employees are able to provide services to our ' health and safety concerns, limitation of customers- customer ,** and the ways that our partners and suppliers are able to provide products and services to us. For example, public and private sector policies and initiatives to reduce the transmission of COVID- **focused field operations** 19 and initiatives Verizon took in response to the health crisis to promote the health and safety of our

employees and provide critical infrastructure and connectivity to our customers, along with the related global slowdown in economic activity, resulted in decreased revenues, increased costs and **vendor and supply chain disruptions** lower earnings per share during 2020. In addition, such a crisis could significantly increase the probability or consequences of the risks our business faces in ordinary circumstances, such as risks associated with our supplier and vendor relationships, risks of an economic slowdown, regulatory risks, and the costs and availability of financing. Regulatory and Legal Risks Changes in the regulatory framework under which we operate could adversely affect our business prospects or results of operations. Our domestic operations are subject to regulation by the FCC and other federal, state, and local agencies, and our international operations are regulated by various foreign governments and international bodies. These regulatory regimes frequently restrict or impose conditions on our ability to operate in designated areas and provide specified products or services. We are frequently required to maintain licenses for our operations and conduct our operations in accordance with prescribed standards. We are often involved in regulatory and other governmental proceedings or inquiries related to the application of these requirements. It is impossible to predict with any certainty the outcome of pending federal and state regulatory proceedings relating to our operations, or the reviews by federal or state courts of regulatory rulings. Without relief, existing laws and regulations may inhibit our ability to expand our business and introduce new products and services. Similarly, we cannot guarantee that we will be successful in obtaining the licenses needed to carry out our business plan or in maintaining our existing licenses. For example, the FCC grants wireless licenses for terms generally lasting 10 years, subject to renewal. The loss of, or a material limitation on, certain of our licenses could have a material adverse effect on our business, results of operations and financial condition. New laws or regulations or changes to the existing regulatory framework at the federal, state, and local, or international level, such as those described below, those that incentivize business models or technologies different from ours or requirements limiting our ability to continue or discontinue service to customers could restrict the ways in which we manage our wireline and wireless networks and operate our businesses, impose additional costs, diminish revenue opportunities, and potentially impede our ability to provide services in a manner that would be attractive to us and our customers. • Privacy and data protection – We are subject to local, state, federal and international laws and regulations related to privacy and data protection. In particular, the California Consumer Privacy Act, Europe's General Data Protection Regulation and a number of other privacy laws more recently adopted by other states and countries include significant penalties for non-compliance. Generally, attention to privacy and data security requirements is increasing at all levels of government globally, and privacy-related legislation has been introduced or is under consideration in many locations. These regulations could have a significant impact on our businesses. • Regulation of broadband internet access services – **Verizon offers many different** In 2023, the FCC proposed to return to regulation of broadband services under Title II of the Communications Act. The proposal would revive and expand **In early January 2025, based on litigation filed by the broadband industry, a federal appeals court overturned** the FCC's **April 2024 final decision** 2015 approach (that was reversed in 2017) to regulating regulate broadband internet access services **via** as telecommunications services subject to utilities utility - style common carriage regulation **under Title II of the Communications Act**. **Absent further action in the courts, this decision will remain in effect and limit the risk of burdensome FCC broadband regulation. In addition to federal activity,** Several several states have also adopted or are considering adopting laws or executive orders that would impose net neutrality and other requirements on some of our broadband services, **including a law in New York that requires discounted broadband pricing for low income customers. Some states may also impose pricing or other rules related to broadband built with the assistance of federal or state funding**. The FCC also adopted broad rules related to "digital discrimination" that could further increase regulatory oversight of broadband services; **industry groups have appealed those rules in court**. • "Open Access access" – We hold certain wireless licenses that require us to comply with so-called "open access" FCC regulations, which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice. Moreover, certain services could be subject to conflicting regulation by the FCC and / or various state and local authorities, which could significantly increase the cost of implementing and introducing new services. • Climate-Related related Regulation regulation and Policy policy – Due to the nature of our operations, we have been, and expect to continue to be impacted by regulatory developments related to climate change, including, for example, the direct regulation of greenhouse gas emissions or carbon policies that could result in a tax on such emissions. In addition, policy-driven changes in the prices of fuel or energy in geographies in which we operate could make it more expensive for us to purchase energy to power our networks and data centers, and any increase in taxes on fuel could increase our costs associated with operating those vehicles in our fleet that are dependent on traditional fuels. These developments and the further regulation of broadband, wireless, and our other activities and any related court decisions could result in significant increases in costs for us or restrict our ability to compete in the marketplace and limit the return we can expect to achieve on past and future investments in our networks. Our business may be impacted by changes in tax laws and regulations, or their interpretations, and challenges to our tax positions. Tax laws and regulations are complex, dynamic, and subject to change and varying interpretations, especially when evaluated against new technologies and telecommunications services. In addition, tax legislation has been introduced or is being considered in various jurisdictions that could significantly impact our tax rate, tax liabilities, and **the** carrying value of deferred tax assets or deferred tax liabilities. Any of these changes could materially impact our financial performance and our tax provision, net income and cash flows. We are also subject to ongoing audits, examinations and other tax controversies in various jurisdictions. Although we regularly assess the likelihood of an adverse outcome resulting from these controversies to determine the adequacy of provisions for taxes, the final outcome of any such controversy may be materially different from our expectations. In the event that we have not accurately or fully described, disclosed or determined, calculated or remitted amounts that were due to taxing authorities or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, we could be subject to additional taxes, penalties and interest, which could materially impact our business, financial condition and operating results. We are subject to a substantial amount of litigation, which could require us to pay significant damages or settlements. We are subject to

a substantial amount of litigation and claims in arbitration, including, but not limited to, shareholder lawsuits, patent and copyright infringement lawsuits, wage and hour class actions, contract and commercial claims, personal injury claims, property claims, environmental claims, and lawsuits relating to our advertising, sales, billing and collection practices. ~~In addition, our wireless business also faces personal injury and wrongful death lawsuits relating to alleged health effects of wireless phones or radio frequency transmitters.~~ We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards ~~of damages~~ or settlements. **We also could be subject to court-ordered injunctions and other remedies that could negatively impact our business operations. Our wireless business is also subject to lawsuits relating to alleged adverse health effects of wireless phones and radio frequency transmitters. Any of these allegations or changes in government agencies' assessment of the risks associated with using wireless devices could result in significant legal and regulatory liability and other remedies, and could have a material adverse effect on our business, financial condition and operating results.** Allegations related to lead sheathed copper cables in our copper network infrastructure could expose us to regulatory scrutiny, litigation, penalties, removal and compliance costs, operational impact or reputational damage. There have been media reports alleging that certain lead sheathed copper cables that are part of our copper-based network infrastructure may present health or environmental risks in areas where those facilities are deployed. These allegations ~~could have result~~ **resulted** in government investigations, **regulatory inquiries and litigation, and could further result in** legislative or regulatory actions, ~~litigation~~, penalties and other liability, remediation and compliance costs or negative operational impacts. ~~In addition, we are currently subject to regulatory inquiries and lawsuits related to these allegations, and additional~~ **Additional** legal proceedings and other contingencies may arise in the future. Our insurance policies may not cover or may not be sufficient to fully cover the costs of these claims. Accordingly, we may incur substantial expenses as a result of these allegations, which cannot be reasonably estimated at this time but could be material. In addition, negative assertions about the health or environmental impact of our lead sheathed cables may harm our reputation, which could adversely affect our business and our relationship with various stakeholders, even if such allegations ultimately prove to be inaccurate. Financial Risks Verizon has significant debt, which could increase further if ~~Verizon we incurs~~ **incur** additional debt in the future and ~~does do~~ not retire existing debt. As of December 31, ~~2023-2024~~, Verizon had approximately \$ ~~128-117~~ **5-9** billion of outstanding unsecured indebtedness, \$ ~~9-12~~ **5-0** billion of unused borrowing capacity under our existing revolving credit facility and \$ ~~22-26~~ **2-1** billion of outstanding secured indebtedness. ~~Our Verizon's~~ **Our Verizon's** debt level and related debt service obligations could have negative consequences, including: • requiring ~~Verizon us~~ to dedicate significant cash flow from operations to the payment of principal, interest and other amounts payable on our debt, which would reduce the funds we have available for other purposes, such as working capital, capital expenditures, dividend payments and acquisitions; • making it more difficult or expensive for ~~Verizon us~~ to obtain any necessary future financing for working capital, capital expenditures, debt service requirements, debt refinancing, acquisitions or other purposes and limiting ~~its-our~~ **its-our** ability to repurchase common stock; • reducing ~~our Verizon's~~ **our Verizon's** flexibility in planning for or reacting to changes in our industries and market conditions; • making ~~Verizon us~~ **Verizon us** more vulnerable in the event of a downturn in our business; and • exposing ~~Verizon us~~ to increased interest rate risk to the extent that (i) our debt obligations are subject to variable interest rates or (ii) we need to refinance existing debt that bears interest at a rate lower than current market rates. **Our initiatives aimed at reducing our indebtedness and achieving any target leverage ratio may be unsuccessful due to macroeconomic, business and other factors.** Adverse changes in the financial markets and other factors could increase our borrowing costs and **reduce** the availability of financing. We require a significant amount of capital to operate and grow our business. We fund our capital needs in part through borrowings in the public and private credit markets. Adverse changes in the financial markets, including increases in interest rates or changes in exchange rates, could increase our cost of borrowing, require us to post a significant amount of collateral, and / or make it more difficult for us to obtain financing for our operations or refinance existing indebtedness. In addition, our ability to obtain funding under asset-backed debt transactions is subject to our ability to continue to originate a sufficient amount of assets eligible to be securitized. Our borrowing costs also can be affected by short- and long- term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by customary credit metrics. A decrease in these ratings would likely increase our cost of borrowing and / or make it more difficult for us to obtain financing. A severe disruption in the global financial markets could impact some of the financial institutions with which we do business, and such instability could also affect our access to financing. Increases in costs for pension benefits and active and retiree healthcare benefits may reduce our profitability and increase our funding commitments. With approximately ~~105-99~~ **400-600** employees and approximately ~~182~~ **179** 700 retirees as of December 31, ~~2023-2024~~ eligible to participate in Verizon's benefit plans, the costs of pension benefits and active and retiree healthcare benefits have a significant impact on our profitability. Our costs of maintaining these plans, and the future funding requirements for these plans, are affected by several factors, including increases in healthcare costs, decreases in investment returns on funds held by our pension and other benefit plan trusts and changes in the discount rate and mortality assumptions used to calculate pension and other postretirement expenses. If we are unable to limit future increases in the costs of our benefit plans, those costs could reduce our profitability and increase our funding commitments. **We are subject to risks associated with mergers, acquisitions, divestitures and other strategic transactions. From time to time, we pursue mergers, acquisitions, joint ventures, assets transfers and other strategic transactions that we believe may expand our business or are consistent with our strategy. We may also occasionally divest assets and businesses. Any such transaction entails certain risks and could present financial, managerial and operational challenges. If we are unable to consummate planned strategic transactions and successfully integrate acquired businesses into our existing operations, or if we are not able to achieve cost savings, synergies and other anticipated benefits of any such transaction, our business could be negatively affected. Divestitures may result in asset impairment and disposition charges, and loss of income from divested assets and businesses, or require continued financial involvement in the divested business for a period following the transaction, including through indemnification arrangements. In addition, strategic transactions may involve**

significant expenses, require additional financing or expose us to liabilities not discovered in the due diligence process or as a result of transaction- related litigation. These and other risks related to our mergers, acquisitions, divestitures and other strategic transactions, including our pending acquisition of Frontier, may have an adverse effect on our business, financial condition, and operating results.