UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 3, 2017 (January 27, 2017)

Everbridge, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-37874	26-2919312
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

25 Corporate Drive, Suite 400, Burlington, Massachusetts	01803
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (818) 230-9700

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

On January 31, 2017, Everbridge, Inc. (the "Company") filed a Current Report on Form 8-K (the "Original 8-K") regarding, among other things, its acquisition of 100% of the issued and outstanding membership interests (the "Units") of IDV Solutions, LLC, a Michigan limited liability company ("IDV"), pursuant to a Membership Interest Purchase Agreement, dated as of January 27, 2017, by and among the Company, IDV and the holders of the Units of IDV.

This Amendment No. 1 ("Amendment No. 1") to the Current Report on Form 8-K/A amends and supplements the Original 8-K filed by the Company, and is being filed to provide the historical financial statements and the pro forma financial information required pursuant to Items 9.01(a) and 9.01(b) of Form 8-K, respectively. In accordance with the requirements of Items 9.01(a)(4) and 9.01(b)(2) of Form 8-K, this Amendment No. 1 is being filed within 71 calendar days of the date that the Original 8-K was required to be filed with respect to the above referenced transactions.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

The audited financial statements of IDV, as of and for the year ended December 31, 2016 are attached hereto as Exhibit 99.1 and incorporated herein by reference.

(b) Pro-Forma Financial Information

The unaudited condensed pro forma combined financial information as of and for the period ended December 31, 2016 with respect to the Company's acquisition of IDV is filed as Exhibit 99.2 to this Amendment No. 1 and incorporated herein by reference.

(d) List of Exhibits

EXHIBIT NO.	DESCRIPTION
23.1	Consent of Plante & Moran, PLLC, independent auditors.
99.1	Audited financial statements of IDV Solutions, LLC as of and for the year ended December 31, 2016.
99.2	Unaudited condensed pro forma combined financial statements as of and for the year ended December 31, 2016 with respect to the Company's acquisition of IDV Solutions, LLC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 3, 2017	**EVERBRIDGE, INC.**
	By: /s/ Elliot J. Mark
	Elliot J. Mark
	Senior Vice President and General Counsel

EXHIBIT INDEX

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Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-213679 and No. 333-216909) of Everbridge, Inc. of our report dated March 29, 2017 relating to the financial statements of IDV Solutions, LLC, appearing in this Current Report on Form 8-K/A of Everbridge, Inc.

/s/ Plante & Moran, PLLC

Ann Arbor, Michigan
April 3, 2017

Exhibit 99.1

IDV Solutions, LLC

Audited Financial Statements

December 31, 2016

Contents

Plante & Moran, PLLC
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Independent Auditor's Report

To the Board of Directors
IDV Solutions, LLC

We have audited the accompanying financial statements of IDV Solutions, LLC (the "Company"), which comprise the balance sheet as of December 31, 2016, and the related statements of operations, members' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDV Solutions, LLC as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

March 29, 2017

	December 31, 2016
Assets	
Current Assets	
Cash and cash equivalents	$ 227,215
Accounts receivable	1,200,085
Prepaid expenses and other current assets	161,633
Total current assets	1,588,933
Property and Equipment - Net (Note 5)	270,396
Total assets	**$ 1,859,329**
Liabilities and Members' Deficit	
Current Liabilities	
Accounts payable:	
Trade accounts payable	$ 70,636
Trade payables to related parties (Note 12)	37,739
Capital lease obligation (Note 8)	34,600
Accrued and other current liabilities:	
Accrued compensation	59,245
Dividends payable	75,000
Deferred revenue	4,586,973
Sales tax and other accrued liabilities	665,466
Total current liabilities	5,529,659
Capital Lease Obligation - Net of current portion (Note 8)	40,907
Members' Deficit (Note 3)	(3,711,237)
Total liabilities and members' deficit	**$ 1,859,329**

See notes to financial statements.

IDV Solutions, LLC

Statement of Operations

	Year Ended December 31, 2016
Revenue	$10,246,417
Cost of Revenue	2,367,818
Gross Profit	7,878,599
Operating Expenses	
Sales and marketing	2,620,264
Research and development	2,681,602
General and administrative	1,899,500
Total operating expenses	7,201,366
Operating Income	677,233
Other Income (Expense)	
Interest income	6,119
Other income	24,710
Interest expense	(7,456)
Total other income	23,373
Net Income	**$ 700,606**

See notes to financial statements.

Year Ended December 31, 2016

	Members' Interest	Capital Contribution Receivable	Related Party Note Receivable	Total
Balance - January 1, 2016	$(3,776,264)	$ (47,448)	$ (363,230)	$(4,186,942)
Net income	700,606	—	—	700,606
Distribution to members	(192,500)	—	—	(192,500)
Repurchase of outstanding units	(1,058)	—	—	(1,058)
Advances on related party contribution receivable (Note 3)	355	(355)	—	—
Forfeiture of unvested units for terminated employees (Note 3)	(6,826)	6,826	—	—
Advances to members (Note 4)	—	—	(25,250)	(25,250)
Interest on related party notes receivable	—	—	(6,093)	(6,093)
Balance - December 31, 2016	**$(3,275,687)**	**$ (40,977)**	**$ (394,573)**	**$(3,711,237)**

See notes to financial statements.

IDV Solutions, LLC

Statement of Cash Flows

Year Ended December 31, 2016

Cash Flows from Operating Activities	
Net income	$ 700,606
Adjustments to reconcile net income to net cash and cash equivalents from operating activities:	
Depreciation	80,164
Loss on disposal of property and equipment	12,755
Bad debt expense	319,990
Interest on member notes receivable	(6,093)
Changes in operating assets and liabilities which provided (used) cash and cash equivalents:	
Accounts receivable	799,509
Prepaid expenses and other assets	66,680
Accounts payable	(4,884)
Deferred revenue	(2,119,286)
Accrued and other liabilities	168,762
Net cash and cash equivalents provided by operating activities	18,203
Cash Flows Used in Investing Activities - Purchase of equipment	(4,949)
Cash Flows from Financing Activities	
Payments on capital lease obligation	(26,644)
Distributions to members	(118,559)
Advances to members	(25,250)
Net cash and cash equivalents used in financing activities	(170,453)
Net Decrease in Cash and Cash Equivalents	(157,199)
Cash and Cash Equivalents - Beginning of year	384,414
Cash and Cash Equivalents - End of year	**$ 227,215**
Supplemental Cash Flow Information - Cash paid for interest	$ 7,456

See notes to financial statements.

Note 1 - Nature of Business

IDV Solutions, LLC (the “Company” or “IDV”) provides business intelligence software products to large public, private, and Global 2000 organizations. IDV designs, develops, and deploys web-based applications that leverage an enterprise’s data investment through featuring rich, interactive visualization of data on a map. IDV clients include companies from the energy, government, nonprofit, real estate, insurance, manufacturing, financial services, and education sectors. Currently the majority of clients are located in the United States; there are a number of significant engagements internationally as well. IDV has headquarters in Lansing, Michigan, with a satellite office in Florida.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Company have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Company’s deposits may not be returned to it. The Company’s policy related to custodial credit risk of bank deposits is to maintain all deposits in a high-quality institution. The Company maintains balances in its deposit accounts to adequately cover current operating expenses and, as a result, at times requires balances that exceed the FDIC insurance limit.

Accounts Receivable

Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. At December 31, 2016, the Company recorded an allowance for doubtful accounts of approximately $320,000.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, delivery of the product has occurred, the fee is fixed or determinable, and collection is probable.

Substantially all of the Company’s software licenses are sold in arrangements that include installation, maintenance and support, and the license. The Company has concluded that the elements of the arrangements do not have standalone value and, as a result, the Company recognizes revenue for its licenses over the related contract period, generally three years.

Often, the Company will license add-on modules to customers during an existing contract relationship. The installation and license fee associated with these modules are recognized ratably over the remaining contract life.

Note 2 - Significant Accounting Policies (Continued)

The Company also offers hosted license arrangements. In these arrangements, software maintenance and hosted license revenue is deferred and recognized ratably over the term of the respective agreements, typically one to three years.

The Company began a project during 2015 that involves significant production and customization of software. Revenue from this project is recognized on the percentage-of-completion method, measured by the percentage of hours incurred to date to estimated hours for the project in total. This method is used because management considers expended hours to be the best available measure of progress on this project.

Changes in project performance, project conditions, estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Due to uncertainties inherent in the estimation process, it is at least reasonably possible that, in the near term, the Company will revise its cost and profit estimates related to customization contracts in process.

Credit Risk, Major Customers, and Suppliers

Sales are predominately to companies in various industries located across the country and internationally. The Company extends trade credit to its customers on terms that are generally practiced in the industry. One major customer accounted for approximately 17 percent of accounts receivable at December 31, 2016. Another major customer accounted for approximately 22 percent of revenue for the year ended December 31, 2016.

Warranty Liability

Occasionally, the Company extends warranty coverage for certain customers. The warranty coverage includes ensuring that the software performs based on its intended use and the Company agrees to reimburse the customer if an outage causes any loss to the customer. Generally, this coverage is for the first 90 days of the contract. During the year ended December 31, 2016, no warranty claims had been made and no liability was recorded at December 31, 2016.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro-rata ownership share of the Company’s earnings. The Company’s net income or loss is allocated among the members in accordance with the Company’s operating agreement.

Research and Development

Research and development expenditures of $2,681,602 were charged to expense as incurred during the year ended December 31, 2016.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including March 29, 2017, which is the date the financial statements were available to be issued.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Company's year ending December 31, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Company has not yet determined which application method it will use but does believe that the Company's revenue recognition policies could change with the new guidance.

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Company's year ending December 31, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on the Company's financial statements as a result of the lease for office space classified as an operating lease. The Company expects long-term assets and lease liabilities to increase significantly as a result of adopting the new lease standard.

Note 3 - Member Interests

The Company has five classes of membership interest: "Class A Membership Interest," which is a voting, nonmanagerial interest; "Class B Membership Interest," which is a nonvoting, managerial interest; "Class C Membership Interest," which is a nonvoting interest; "Class D Membership Interest," which is a voting, preferred interest; and "Class E Membership Interest," which is a nonvoting interest.

Profit Allocation

After giving effect to special allocations set forth in the operating agreement, profits for any fiscal year are allocated first to Class D members to the extent Class D members have received a Class D preferred return (as discussed below), then to all members to the extent that excess cash has been distributed to them, and finally to all members in proportion to their respective membership interests.

Loss Allocation

After giving effect to special allocations, as defined in the operating agreement, losses for any fiscal year are allocated to the members first in a ratio that the positive balances in their capital accounts bear to one another until all capital accounts have been reduced to zero, and then in proportion to their respective membership percentages.

Tax Liability Distributions

The Company is required to distribute to each member cash in an amount equal to such member's required tax distribution; such cash is to be distributed quarterly (within 15 days of the close of each calendar quarter) based on the amount of taxable income earned by the Company during the quarter just completed. The Company is only obligated to distribute a required tax distribution to the extent that it has excess cash as defined in the operating agreement.

Note 3 - Member Interests (Continued)

Priority Return

The Company is required to pay to certain members a "guaranteed payment" or "priority return" as defined in the operating agreement for as long as they are acting as a manager of the Company. This guaranteed payment has been reported in operating expenses. The priority return will only be paid in the event that following payment, the Company will be able to pay its debts as they come due in the normal course of business and the Company's assets exceed the sum of its liabilities. The priority return shall be paid in lieu of any other compensation or fringe benefits.

Class A

There are 18,006,062 Class A voting units outstanding at December 31, 2016.

Class B and C

There are no Class B or C units outstanding at December 31, 2016.

Class D

There are 8,740,975 Class D voting units outstanding at December 31, 2016.

Class D Preferred Return is an amount equal to 7 percent per annum computed on the amount of the capital contribution of PVP II Holdings, LLC (PVP). The accumulated unpaid Class D Preferred Return totaled $502,082 at December 31, 2016. Upon liquidation, the Class D members shall be paid a liquidation preference equal to their initial capital contribution.

Class E

There are 1,858,222 Class E units outstanding at December 31, 2016.

Class E membership interests will be issued and offered for sale from time to time to IDV Solutions II, LLC (IDV II), provided that IDV II issues a proportionate percentage of Class B membership interests in IDV II of equal value to certain eligible employees and managers and/or shareholders of the Company as determined by the board of managers. Class E membership interests may be issued by the board of managers without the prior approval of the voting members, provided that the total Class E percentage for all Class E members does not exceed 15.8 percent of the total membership interest of the Company at any given time. Class E membership interests vest 25 percent each year and become fully vested upon the occurrence of a liquidity event.

During 2016, the Company issued additional Class E membership interests to IDV II in exchange for notes receivable of $355 and withdrew previously issued membership interests of approximately $6,900 that were forfeited. With the sale of the Company's membership interests subsequent to year end, all outstanding Class E membership interests became fully vested.

Put Options

The Company has granted a put option to PVP II Holding, LLC (PVP II) whereby PVP II can sell its Class D interests to the Company at fair market value plus accrued preferred return after the occurrence of one or more trigger events defined in the operating agreement. The first trigger event allows PVP II to put a 10 percent equity interest of the Company at September 30, 2015 and the remainder of the Class D interests in the Company can be put in January 2020. Both trigger events may be preceded by a liquidity event or other certain events defined in the agreement. No puts on the Class D membership interests were executed during 2016.

The Company has also granted a put option to IDV II, an entity created to hold the Class E membership units and owned by those members, whereby IDV II can sell its interest to the Company at fair market value upon the occurrence of a liquidity event as defined in the operating agreement.

Note 4 - Notes Receivable

The Company has notes receivable from certain members totaling approximately $394,000 at December 31, 2016. The notes are unsecured. The notes mature on December 31, 2017, bear interest at 1.65 percent, and are due on demand. Interest income on these notes was approximately $6,000 during the year ended December 31, 2016. These notes are reported as a component of equity.

The Company has loaned money to certain individuals to acquire membership interests in IDV Solutions II, LLC. The notes total approximately $41,000 at December 31, 2016, are due on demand, and bear interest at the applicable federal rate of .24 percent. These notes are reported as a component of equity.

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	Amount
Furniture and fixtures	$ 79,954
Computer equipment and software	382,044
Leasehold improvements	68,609
Total cost	530,607
Accumulated depreciation	260,211
Net property and equipment	$270,396

Depreciation expense for the year ended December 31, 2016 was $80,164.

Note 6 - Line of Credit

In 2015, The Company had a line of credit agreement with a bank allowing borrowings of approximately $1,500,000, subject to a borrowing base formula. Interest was payable monthly at a rate of 1.75 percent above the prime rate. The line of credit was collateralized by all assets of the Company and expired in May 2016.

During 2016, the Company entered into a new financing arrangement with another bank. This agreement allowed the Company to borrow up to $1,000,000 by transferring selected accounts receivable at 80 percent of the account receivable balance. The Company is responsible for any amount not collected by the bank below the 80 percent level. Annually, the Company is charged a fee of $10,000. This agreement was terminated in 2017.

Note 7 - Operating Leases

The Company is obligated under various operating leases primarily for rental space and computer equipment, expiring at various dates through 2024. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was approximately $214,000 for the year ended December 31, 2016.

Note 7 - Operating Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2017	$ 229,228
2018	215,469
2019	190,202
2020	172,932
2021	176,377
Thereafter	551,194
Total	$1,535,402

Note 8 - Capital Leases

The Company has several leases for computer and office equipment that are classified as capital leases. For financial statement purposes, the present values of the net minimum lease payments have been capitalized and are being amortized over the useful lives of the assets. Under the terms of the lease agreements, payments of approximately $3,350 are due in monthly installments through June 2019. The leases have been imputed with interest at annual rates from 8.47 to 10.60 percent.

At December 31, 2016, property under the capital leases has a gross cost of approximately $106,000. Accumulated depreciation on the property under capital leases was $11,000 at December 31, 2016 .

The future minimum lease payments under capital leases are as follows:

Years Ending December 31	Amount
2017	$40,251
2018	36,026
2019	7,448
Total	83,725
Less amount representing interest	8,218
Present value of net minimum lease payments	75,507
Less current obligations	34,600
Long-term obligations under capital leases	$40,907

Note 9 - Customization Contracts in Progress

Costs and estimated earnings on customization contracts in progress at December 31, 2016 are as follows:

	2016
Costs incurred on uncompleted contracts	$ 603,997
Estimated earnings	885,758
Total	1,489,755
Less billings to date	1,419,556
Total	$ 70,199

Costs and estimated earnings in excess of billings of $70,199 at December 31, 2016 are recorded as a component of accounts receivable on the balance sheet.

Note 10 - Cash Flows

Significant noncash investing and financing activities for 2016 include the acquisition of property under capital lease totaling $38,470.

Note 11 - Retirement Plans

The Company sponsors a 401(k) plan for substantially all employees. The plan provides for the Company to make a combination of required and discretionary matching contributions. Contributions to the plan totaled approximately $172,000 for the year ended December 31, 2016.

Note 12 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

Accounts Payable

At December 31, 2016 , the Company had accounts payable to certain members totaling $37,739.

PVP Board Fee

The Company is required to pay $5,000 to the Class D members on the first day of each calendar quarter as compensation for the management services of PVP for the preceding quarter. Total amounts expensed for the PVP board fee were $20,000 during 2016.

Note 13 - Subsequent Events

On January 27, 2017, 100 percent of the outstanding membership interests of the Company were purchased by a publicly held company, Everbridge, Inc. for $21.3 million plus the potential for an additional $6.2 million of consideration that is based on future performance measures.

Exhibit 99.2

Unaudited Condensed Pro Forma Combined Financial Information

On January 27, 2017, Everbridge, Inc. ("Everbridge" or "the Company") acquired 100% of the issued and outstanding membership interest (the "Units") of IDV Solutions, LLC, a Michigan limited liability company ("IDV"), pursuant to a Membership Interest Purchase Agreement, dated as of January 27, 2017 (the "Purchase Agreement"). The purchase price consisted of cash consideration of $21.5 million and contingent consideration of up to $6.2 million. The other terms of the acquisition are set forth in the Purchase Agreement, which was filed by the Company as an exhibit to a Current Report on Form 8-K dated January 31, 2017.

The following unaudited condensed pro forma combined financial information is based on the historical financial statements of Everbridge and IDV as of and for the year ended December 31, 2016 and presents the effect of the acquisition as if it had occurred on January 1, 2016 in respect of the pro forma combined statements of operations and comprehensive loss and as if it had occurred on December 31, 2016 in respect of the pro forma combined balance sheet. The pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable under the circumstances. The pro forma adjustments were applied to the respective historical financial statements to reflect and account for the acquisition using the purchase method of accounting.

The unaudited condensed pro forma combined financial information is provided for informational purposes. It may not necessarily represent what Everbridge consolidated results would have been had the transaction actually occurred as of the date indicated, nor is it necessarily representative of Everbridge's future consolidated results of operations or financial position.

The unaudited condensed pro forma combined financial information was prepared using the assumptions described in the related notes. The historical financial information has been adjusted to give effect to pro forma events that are (1) directly attributable to the acquisition, (2) factually supportable, and (3) with respect to the statement of operations and comprehensive loss, expected to have a continuing impact on the combined results. The unaudited condensed pro forma combined financial information does not include the realization of cost savings from operational efficiencies, revenue synergies or changes in operating strategies that may result from the acquisition. Therefore, the information presented in the accompanying unaudited condensed pro forma combined financial statements may differ materially from future results realized.

The unaudited condensed pro forma combined financial statements allocate the purchase price to the underlying tangible and intangible assets acquired by Everbridge and liabilities assumed by Everbridge based on their respective fair market values with any excess purchase price allocated to goodwill. This allocation is dependent upon certain valuations and other studies that are preliminary, based on work performed to date. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited condensed pro forma combined financial information. Everbridge anticipates that all the information needed to identify and measure values assigned to the assets acquired and liabilities assumed will be obtained and finalized during the one-year measurement period following the acquisition date. Differences between these preliminary estimates and the final acquisition accounting may occur, and these differences could have a material impact on the unaudited condensed pro forma combined financial statements presented below.

The unaudited condensed pro forma combined financial information should be read in conjunction with our (i) Annual Report on Form 10-K for the year ended December 31, 2016 as filed with the SEC on March 23, 2017; and (ii) the historical audited financial statements of IDV as of and for the year ended December 31, 2016 filed as Exhibit 99.1 herein.

Unaudited Condensed Pro Forma Combined Balance Sheet at December 31, 2016
(In thousands, except per share data)

	Everbridge as of December 31, 2016	IDV as of December 31, 2016	Pro Forma Adjustment	Notes	Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 60,765	$ 227	$ (21,450)	(A)	$ 39,542
Accounts receivable, net	17,812	1,200	—		19,012
Prepaid expenses	1,770	162	—		1,932
Other current assets	2,536	—	—		2,536
Total current assets	82,883	1,589	(21,450)		63,022
Property and equipment, net	2,923	270	—		3,193
Capitalized software development costs, net	8,792	—	—		8,792
Goodwill	9,676	—	19,301	(C)	28,977
Intangible assets, net	3,940	—	7,740	(B)	11,680
Other assets	108	—	—		108
Total assets	$ 108,322	$ 1,859	$ 5,591		$ 115,772
Liabilities and Stockholders' Equity (Deficit)					
Current liabilities:					
Accounts payable	$ 2,434	$ 108	$ —		$ 2,542
Accrued expenses	9,413	725	(23)	(F)	10,115
Term loan	—	—	—		—
Deferred revenue	51,388	4,587	(1,147)	(E)	54,828
Notes payable	—	—	—		—
Other current liabilities	548	109	—		657
Total current liabilities	63,783	5,529	(1,170)		68,142
Long-term liabilities:					
Deferred revenue, noncurrent	1,246	—	—		1,246
Line of credit	—	—	—		—
Purchase price liability	—	—	3,050	(A)	3,050
Deferred tax liabilities	494	—	—		494
Other long term liabilities	447	41	—		488
Total liabilities	65,970	5,570	1,880		73,420
Commitments and contingencies					
Stockholders' equity (deficit):					
Series A preferred stock, $0.001 par value, no shares authorized, issued or outstanding as of December 31, 2016	—	—	—		—
Series A-1 preferred stock, $0.001 par value, no shares authorized, issued or outstanding as of December 31, 2016	—	—	—		—
Preferred stock, $0.001 par value, 10,000,000 shares authorized, no shares issued or outstanding as of December 31, 2016	—	—	—		—
Class A common stock, $0.001 par value, no shares authorized, issued or outstanding as of December 31, 2016	—	—	—		—
Common stock, $0.001 par value, 100,000,000 shares authorized, 27,150,674 shares issued and outstanding as of December 31, 2016	27	—	—		27
Additional paid-in capital	132,246	—	—		132,246
Accumulated deficit	(89,618)	(3,711)	3,711	(D)	(89,618)
Accumulated other comprehensive loss	(303)	—	—		(303)
Total stockholders' equity (deficit)	42,352	(3,711)	3,711		42,352
Total liabilities and stockholders' equity (deficit)	$ 108,322	$ 1,859	$ 5,591		$ 115,772

See accompanying notes to the unaudited condensed pro forma combined financial statements

Unaudited Condensed Pro Forma Combined Statement of Operations and Comprehensive Loss
For the year ended December 31, 2016
(In thousands, except per share data)

	Historical				
	Everbridge	IDV	Pro Forma Adjustments	Notes	Pro Forma Combined
Revenue	$ 76,846	$10,246	$ (148)	(G)	$ 86,944
Cost of revenue	23,767	2,368	783	(H)	26,918
Gross profit	53,079	7,878	(931)		60,026
Operating expenses:					
Selling and marketing	34,847	2,620	—		37,467
Research and development	14,765	2,681	—		17,446
General and administrative	14,293	1,900	1,298	(H)(I)	17,491
Total operating expenses	63,905	7,201	1,298		72,404
Income (loss) from operations	(10,826)	677	(2,229)		(12,378)
Other income (expense)					
Interest income	34	6	—		40
Interest expense	(506)	(7)	—		(513)
Other income (expense)	(12)	25	—		13
Total other income (expense), net	(484)	24	—		(460)
Income (loss) before provision (benefit) for income taxes	(11,310)	701	(2,229)		(12,838)
Provision (benefit) for income taxes	(24)	—	—	(J)	(24)
Net income (loss)	$ (11,286)	$ 701	$ (2,229)		$ (12,814)
Comprehensive income (loss):					
Foreign currency translation adjustment, net of tax	(290)	—	—		(290)
Total comprehensive income (loss)	$ (11,576)	$ 701	$ (2,229)		$ (13,104)
Basic	$ (0.68)				$ (0.79)
Diluted	$ (0.68)				$ (0.79)
Shares used in the per share calculations:					
Basic	16,659,561				16,659,561
Diluted	16,659,561				16,659,561

See accompanying notes to the unaudited condensed pro forma combined financial statements

Notes to the Unaudited Condensed Pro Forma Combined Financial Statements

1. DESCRIPTION OF ACQUISITION

On January 27, 2017, Everbridge, Inc. ("Everbridge" or "the Company") acquired 100% of the issued and outstanding membership interest (the "Units") of IDV Solutions, LLC, a Michigan limited liability company ("IDV"), pursuant to a Membership Interest Purchase Agreement, dated as of January 27, 2017 (the "Purchase Agreement"). The purchase price consisted of cash consideration of $21.5 million and contingent consideration of up to $6.2 million contingent on IDV meeting certain revenue and billing targets for each of the six months ended June 30, 2017 and the twelve months ended December 31, 2017 and certain development targets. The Company estimated the fair value of the contingent consideration at $3.1 million based upon the probability of the expected payments to be made in August 2017, January 2018 and March 2018. A portion of the cash purchase price was deposited in a third party escrow account and is available for satisfaction of post-closing indemnification obligations. Any remaining portion of the escrow amount that is not subject to then pending claims will be paid on the 15-month anniversary of the acquisition date.

2 BASIS OF PRO FORMA PRESENTATION

The unaudited condensed pro forma combined financial information was prepared using the acquisition method of accounting, which is based on authoritative guidance for business combinations and fair value concepts. The unaudited condensed pro forma combined statements of operations and comprehensive loss were prepared on the basis of accounting principles generally accepted in the United States of America ("GAAP") utilizing the SEC's guidance under Article 11 of Regulation S-X.

In accordance with the acquisition method of accounting for business combinations, the assets acquired and the liabilities assumed are recorded at their respective fair values and added to those of the Company. The excess purchase consideration over the fair values of assets acquired and liabilities assumed was recorded as goodwill. The total purchase price was allocated using information currently available to the Company.

Under the acquisition method, acquisition-related transaction costs (e.g., advisory, legal, valuation and other professional fees) are not included as consideration transferred but are accounted for as expense in the periods in which the costs are incurred. These costs are not presented in the unaudited condensed pro forma combined statement of operations and comprehensive loss because they will not have a continuing impact on the combined results.

The unaudited condensed pro forma combined consolidated statement of operations and comprehensive loss reflect certain adjustments that are necessary to present fairly our unaudited condensed pro forma combined statement of comprehensive loss. The pro forma adjustments give effect to events that are (1) directly attributable to the acquisition, (2) factually supportable and (3) with respect to the statement of operations and comprehensive loss, expected to have a continuing impact on the combined results, and are based on assumptions that management believes are reasonable given the best information currently available.

Acquisition Accounting Allocation

The following table summarizes the purchase price allocation of consideration transferred as if the acquisition had closed on December 31, 2016:

	(in thousands)
Preliminary purchase consideration	$ 24,500
Allocation of the purchase consideration:	
Cash	$ 227
Other current assets	1,362
Property and equipment	270
Identifiable intangible assets	7,740
Goodwill	19,301
Total assets acquired	28,900
Current liabilities	919
Deferred revenue	3,440
Other liabilities	41
Total liabilities assumed	4,400
Net assets acquired	**$ 24,500**

3. PRO FORMA ADJUSTMENTS

The accompanying unaudited condensed pro forma combined financial statements reflect the following pro forma adjustments:

Unaudited Condensed Pro Forma Combined Balance Sheet

(A) Adjustment to reflect the payment of the cash portion of the consideration of $21.5 million and the fair value of future payment obligations to acquire IDV.

(B) Adjustment to record the fair value of identifiable intangible assets.

(C) Adjustment to record the residual value of the consideration over the identifiable assets to goodwill. The purchase date was January 27, 2017, however the acquisition was assumed to occur on December 31, 2016 for purposes of the unaudited pro forma condensed combined balance sheet. Accordingly, the goodwill amount shown in the unaudited condensed pro forma combined balance sheet differs from the goodwill recorded upon the acquisition.

(D) Adjustment to eliminate the members’ deficit account of IDV.

(E) The estimated amounts presented for purposes of the unaudited condensed pro forma combined balance sheet are based upon the deferred revenue balances of IDV as of December 31, 2016 and reflect the actual fair value adjustments that were recorded as of December 31, 2016.

(F) Adjustment to reflect the accrual and adjustment for estimated non-recurring costs directly attributable to the acquisition.

Unaudited Condensed Pro Forma Combined Statement of Operations and Comprehensive Loss

(G) Adjustment to reflect the elimination of deferred revenue recognized in the historical statement of operations of IDV primarily related to amounts collected or incurred by IDV at the beginning of a customer contract for upfront set-up fees which were amortized over the longer of the contract life or the estimated customer life. The elimination of these items is factually supportable and directly related to the effect of applying purchase accounting. Deferred set-up revenues are not eligible for recognition in purchase accounting as they represent amounts collected and incurred in prior periods for which there is no future performance obligation or economic benefit, as applicable. As a result, amortization associated with these items has been eliminated.

(H) Adjustment to record amortization expense of $0.8 million on developed technology and $1.3 million on the remaining identifiable intangible assets for 2016, as if the acquisition had occurred on January 1, 2016. The weighted average useful life on the identifiable intangible assets acquired is approximately 4.1 years. The assets are amortized using the straight line method and are classified in cost of revenue and general and administrative expenses.

(I) Adjustment to eliminate transaction costs incurred by the Company and IDV, as a result of the acquisition, primarily consisting of legal and advisory fees.

(J) No provision for income taxes has been reflected for the pro forma adjustments since any tax benefit recorded resulting from the pro forma pretax losses would be offset by a corresponding increase in the valuation allowance.