

Risk Factors Comparison 2025-03-17 to 2024-03-15 Form: 10-K

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

Our short and long- term success is subject to numerous risks and uncertainties, many of which involve factors that are difficult to predict or beyond our control. As a result, an investment in our common stock involves risks. ~~Our~~ **In evaluating our business, our** stockholders ~~should~~ **are encouraged to** carefully consider the risks described below, together with all of the other information included in this Annual Report, as well as in our other filings with the Securities and Exchange Commission (the “SEC”), ~~in evaluating our business~~. If any of these risks are realized, our business, financial condition, results of operations, and prospects could be materially adversely affected, and the trading price of our common stock ~~could~~ **may decline** significantly **fluctuate**. Furthermore, additional risks and uncertainties of which we are currently unaware, or which we currently consider to be immaterial, could have a material adverse effect on our business. Certain statements below constitute “ forward- looking statements,” which are subject to numerous risks and uncertainties, including those described in this section. For additional information, refer to the section entitled “ Cautionary Note Regarding Forward- Looking Statements ” within this Annual Report. ~~Risks Related to the Pending Revolution Transaction~~ **The consummation of the Revolution Transaction is subject to a number of conditions that may not be satisfied or completed on a timely basis or at all. Accordingly, there can be no assurance as to when or if the Revolution Transaction will be completed, and the failure to complete the Revolution Transaction could have a material and adverse effect on our business, financial condition, results of operations and cash flows. Although we expect to complete the Revolution Transaction in the second quarter of 2024, there can be no assurances as to the exact timing of the closing or that the Revolution Transaction will be completed at all. The consummation of the Revolution Transaction is subject to the satisfaction or waiver of a number of conditions contained in the related Purchase and Sale Agreement, including, among others, the absence of any governmental order restraining, enjoining or otherwise prohibiting the consummation of the Revolution Transaction or any pending governmental proceeding in respect thereof. Such conditions, some of which are beyond our control, may not be satisfied or waived in a timely manner or at all and therefore make the completion and timing of the Revolution Transaction uncertain. In addition, the Purchase and Sale Agreement contains certain termination rights for both parties, which if exercised will also result in the Revolution Transaction not being consummated. Any such termination or any failure to otherwise complete the Revolution Transaction could result in various consequences, including, among others: our being adversely impacted by the failure to pursue other beneficial opportunities due to the time and resources committed by management to the Revolution Transaction, without realizing any of the benefits of completing the Revolution Transaction; being required to pay our legal, accounting and other expenses relating to the Revolution Transaction; the market price of our common stock being adversely impacted to the extent that the current market price reflects a market assumption that the Revolution Transaction will be completed; and negative reactions from the financial markets that may occur if the anticipated benefits of the Revolution Transaction are not realized. Such consequences could materially and adversely affect our business, financial condition, results of operations and cash flows. Even if the Revolution Transaction is completed, our Energy Operations Business may be unable to successfully integrate the Assets into its business or achieve the anticipated benefits of the Revolution Transaction. The success of the Revolution Transaction will depend, in part, on our Energy Operations Business’s ability to realize the anticipated benefits and cost savings from integrating the Assets into its business, and there can be no assurance that it will be able to successfully integrate or otherwise realize the anticipated benefits of the Revolution Transaction. Difficulties in integrating the Assets into our Energy Operations Business and its ability to manage the combined business may result in it performing differently than expected, in operational challenges or in the delay or failure to realize anticipated expense- related efficiencies, and could have a material adverse effect on our business, financial condition, results of operations and cash flows. Potential difficulties that may be encountered in the integration process include, among others: • the inability to successfully integrate the Assets operationally, in a manner that permits us to achieve the full revenue, expected cash flows and cost savings anticipated from the Revolution Transaction; • not realizing anticipated operating synergies; and • potential unknown liabilities and unforeseen expenses, delays or regulatory conditions associated with the Revolution Transaction.** ~~Risks Related to~~ **Our Business and Business Strategy** We intend to grow our company by acquiring additional operating businesses and intellectual property assets which may not occur, and any acquisitions that we complete will be costly and could negatively affect our results of operations, and dilute our stockholders’ ownership, or cause us to incur significant expense, and we may not realize the expected benefits of our operating businesses because of difficulties related to integration. We intend to grow our company by acquiring additional operating businesses and intellectual property assets. **Our** ~~A significant portion of~~ growth and success will be dependent on identifying and acquiring operating companies and intellectual property at attractive prices to realize their intrinsic value. However, there can be no assurance that we will identify attractive acquisition targets, that acquisition opportunities we identify will be available on acceptable terms or at attractive prices, or that we will be able to obtain necessary financing or regulatory approvals to complete any acquisitions. Further, the success of any acquisition depends on, among other things, our ability to combine our business with the acquired business in a manner that does not materially disrupt existing relationships and allows us to achieve development and operational synergies. Acquisitions involve numerous risks and uncertainties, including: • difficulties in integrating and managing the combined operations, technology platforms, or offerings of any business we acquire, and realizing the anticipated economic, operational and other benefits of the acquisition in a timely manner, which could result in substantial costs and delays; • failure to execute on the intended strategy and synergies; • failure of the acquired operating businesses to achieve anticipated revenue, earnings, or cash flow; • diversion of ~~our~~ management’ s attention or other resources from our existing business; • higher- than- expected earn- out payments, unforeseen

transaction-related costs or delays or other circumstances such as disputes with or the loss of key or other personnel from acquired businesses; • our inability to maintain the key customers, business relationships, suppliers, and brand potential of acquired operating businesses; • uncertainty of entry into businesses or geographies in which we have limited or no prior experience or in which competitors have stronger positions; • unanticipated costs associated with pursuing acquisitions or greater than expected costs in integrating the acquired businesses; • responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates, such as liabilities arising out of the failure to maintain effective privacy, data protection and cybersecurity controls, and liabilities arising out of the failure to comply with applicable laws and regulations, including tax laws; • difficulties in or costs associated with assigning or transferring to us the acquired operating business' intellectual property or its licenses to third-party intellectual property; • inability to maintain our culture and values, ethical standards, controls, procedures, and policies; • challenges in integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies; • challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with Generally Accepted Accounting Principles; and • potential accounting charges to the extent goodwill and intangible assets recorded in connection with an acquisition, such as trademarks, customer relationships, or intellectual property, are later determined to be impaired and written down in value. It is possible that the integration process of our acquired businesses could result in the loss of key employees; the disruption of our Acacia's ongoing business or the ongoing business of the acquired operating businesses; or inconsistencies in standards, controls, procedures or policies that could adversely affect our ability to maintain relationships with third parties and employees or to achieve the anticipated benefits of the acquisition. Integration efforts between us and the acquired businesses will also require our management's significant attention away from other opportunities that could have been beneficial to our stockholders. An inability to realize the full extent of, or any of, the anticipated benefits of any acquisition, as well as any delays encountered in the integration process, could have an adverse effect on our business and results of operations, which may affect the value of the shares of our common stock after the completion of our acquisitions. If we are unable to achieve these objectives, the anticipated benefits of the acquisition may not be realized fully or at all or may take longer to realize than expected. In particular, our acquisitions may not be accretive to our stock value in the near or long term. In addition, we may issue shares of our common stock or other equity securities in connection with future acquisitions of businesses and technologies. Any such issuances of shares of our common stock could result in material dilution to our existing stockholders. We expect to incur additional costs integrating the operations of any operating business and utilizing any intellectual property assets we acquire, as we incur higher development and regulatory costs, as the case may be, and must hire relevant personnel. If the total costs of the integration or utilization of our businesses or assets exceed the anticipated benefits of the acquisition, our financial results could be adversely affected. Accordingly, we may not succeed in addressing the risks associated with our recent acquisition acquisitions of Printronix, Benchmark, or any other operating business we acquire in the future. The inability to integrate successfully, or in a timely fashion, integrate the business, technologies, products, personnel, or operations of any acquired business or utilization of any assets, could have a material adverse effect on our business, results of operations, and financial condition. Our success is dependent on our ability to attract and retain the employees and management teams of our operating businesses, the loss of any of whom could materially adversely affect our financial condition, business and results of operations. Our business model requires qualified and competent professionals and management teams to identify and develop advantaged opportunities and to direct day-to-day activities of our operating businesses, as the case may be. Accordingly, recruiting and retaining qualified personnel is important to our strategy and operating businesses' operations. Additionally, although our operating businesses have adequate personnel for the current business environment, unpredictable increases in demand for goods and services may exacerbate the risk of not having enough sufficient numbers of trained or qualified personnel, which could have a negative impact on our results of operations, financial condition and liquidity. Our operating businesses also need qualified and competent personnel to execute their business plans and serve their customers, suppliers and other stakeholders. To In order to compete, we must attract, retain, and motivate both executives and other key employees, and our failure to do so could harm our financial performance. Hiring and retaining qualified executives, operations personnel (including operating partners), engineers, technical staff, sales, marketing and support positions are and will be critical to businesses, and competition for experienced employees in the industries of our operating businesses can be intense. To help attract, retain, and motivate qualified employees and management, we must offer a competitive compensation package, which could include a combination of cash, cash-based incentive awards and share-based incentive awards, such as restricted stock units. Because our cash-based and share-based incentive awards are dependent upon the performance conditions relating to our performance and the performance of the price our common stock and other performance-based metrics, the future value of such awards are uncertain. If the anticipated value of such incentive awards does not materialize, or if the total compensation package ceases to be viewed as competitive, our ability to attract, retain, and motivate employees could be weakened, which could harm our results of operations. Our success will further substantially depend depends on our ability to attract and retain key members of our management team and officers. If we lose one or more of these key employees, our operational results of operations, and in turn, the value of our common stock could be materially adversely affected. Although we may enter into employment agreements with our officers, there can be no assurance that the entire term of any employment agreement will be served or that any employment agreement will be renewed upon expiration. The success of our Company and the integration of our operating businesses is dependent on our relationship with Starboard - Our strategic relationship with Starboard has provided, and we expect will continue to provide, us access to industry expertise, and operating partners and industry experts to evaluate potential acquisition opportunities and enhance the oversight and value creation of businesses we acquire. As part of our relationship, Starboard has assisted, and is expected to continue assisting, us with sourcing and evaluating appropriate acquisition opportunities. If we or Starboard were to discontinue this relationship, we may not be able to continue to adequately source acquisition opportunities. Additionally, the success of our Company depends on the continued availability of, and our access to,

Starboard's industry expertise and operating partners and industry experts. We do not have employment agreements with these individuals who are independent of Starboard and Starboard's key personnel. If these individuals do not maintain their existing relationships with Starboard and its affiliates, we may not be able to identify appropriate replacements **in order** to continue to adequately source acquisition opportunities or manage our existing operating businesses. The due diligence process we undertake in connection with new acquisitions of operating businesses or intellectual property assets may not reveal all material facts. Before making acquisitions, we conduct due diligence that we deem reasonable and appropriate based on the facts and applicable circumstances. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process **in to** varying degrees depending on the type of business and transaction. Nevertheless, when conducting due diligence and making an assessment regarding **an acquisition acquisitions**, we rely on the resources available to us, including information provided by the target of the transaction and, in some circumstances, third party investigations. The due diligence investigation that we carry out **regarding with respect to** any opportunity may not reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such opportunity. Moreover, such an investigation will not necessarily result in the acquisition being successful. If we do not discover all material facts during due diligence, we may fail to integrate our operating businesses and execute our strategic goals, which may impact our financial performance. Our acquisition strategy may include acquisitions of privately held companies, which provide more limited information, may be dependent on the talents and efforts of only a few key portfolio company personnel, and have greater vulnerability to economic downturns when compared to public company targets. From time to time, we acquire, and may acquire, privately held companies. Generally, little public information exists about these companies, and we are required to rely on diligence efforts to obtain adequate information to evaluate the potential returns from investing in these companies. These companies and their financial information are not subject to the Sarbanes- Oxley Act of 2002 and other rules that govern public companies. If we are unable to uncover all material information about these companies, we may not make a fully informed decision, and we may lose money on our acquisition. If, in the future, we cease to control and operate our operating businesses, we may be deemed to be an investment company under the Investment Company Act of 1940, as amended. From time to time, we have made, and we may continue to make, investments in businesses that we will not operate or control. If we make significant investments in businesses we do not operate or control, or cease to operate and control our operating businesses, we may be deemed to be an investment company under the Investment Company Act of 1940, as amended (the " Investment Company Act "). If we were deemed to be an investment company, we would have to register as an investment company under the Investment Company Act, obtain exemptive relief from the SEC, or modify our investments or organizational structure or our contract rights to fall outside the definition of an investment company. Registered investment companies are subject to extensive, restrictive and potentially adverse regulations that impose, among other things, (i) limitations on capital structure, including the incurrence of indebtedness or the issuance of senior securities; (ii) restrictions on specified investments; (iii) prohibitions on transactions with affiliates; and (iv) compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations. Registered investment companies are not permitted to operate their business in the manner in which we currently operate and plan to operate our business in the future. We plan to monitor the value of our investments and structure our operations and transactions to qualify for exclusions under the Investment Company Act or to remain outside of the definition of an investment company. Accordingly, we may structure transactions in a less advantageous manner than if we did not have Investment Company Act concerns, or we may avoid otherwise economically desirable transactions due to those concerns. In addition, adverse developments with respect to our ownership of our operating subsidiaries, including significant appreciation or depreciation in the market value of certain of our publicly traded holdings, could result in our inadvertently becoming an investment company. If it were established that we were required to register as an investment company and failed to do so, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, in an action brought by the SEC and that we would be prohibited from engaging in our business activities. In addition, any contracts that we entered into during the period in which we were deemed to be operating as an unregistered investment company would be unenforceable unless a court were to require enforcement, and a court could appoint a receiver to take control of us and liquidate our business. Both we and our operating businesses outsource a number of services to third- party service providers, which are subject to risk of disruptions, delays, and decrease in our control, which could adversely impact our **operational** results of operations. Both we and our operating businesses outsource **several a number of** services, including certain hosted software applications for confidential data storage and " cloud computing " technology for such storage to domestic and overseas third- party service providers. While outsourcing arrangements may lower our cost of operations, they also reduce our direct control over the services rendered. Such diminished control could **influence have an effect on** the quality or quantity of products delivered or services rendered, on our ability to quickly respond to changing market conditions, or our ability to ensure compliance with all applicable domestic and foreign laws and regulations. In addition, many of these outsourced service providers, including certain hosted software applications that we use for confidential data storage, employ cloud computing technology for such storage. These providers' cloud computing systems may be susceptible to cyber incidents, such as intentional cyberattacks aimed at theft of sensitive data or inadvertent cybersecurity compromises that are outside of our control. Miscalculations in our outsourcing strategies, deficiencies by our third- party service providers to not perform as anticipated or not adequately protect our data, or delays or difficulties in enhancing business processes, may result in operational difficulties (such as limitations on our ability to ship products), increased costs, service interruptions or delays, loss of intellectual property rights or other sensitive data, quality and compliance issues, and challenges in managing our product inventory or recording and reporting financial and management information, any of which could materially and adversely affect our business, financial condition and results of operations. We may be limited in our ability to use our net operating losses and certain other tax attributes. Our ability to use our **federal and**

state-net operating losses to offset potential future taxable income and related income taxes that would otherwise be due is dependent upon our generation of future taxable income before the expiration dates of the net operating losses. **We, and we** cannot predict with certainty when, or whether, we will generate sufficient taxable income to use all or any portion of our net operating losses. In addition, utilization of net operating losses **and tax credit carryovers** to offset potential future taxable income and related income taxes that would otherwise be due is subject to annual limitations under the “ownership change” provisions of Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “Code”), and similar state / **foreign** provisions, **if we were to experience an “ownership change”** which may result in the expiration of net operating losses before future utilization. In general-particular, under the Code, if a corporation undergoes an “ownership change,” generally defined as a greater than 50 % change (by value) in its equity ownership over a three- year period, the corporation’s ability to use its pre- change net operating losses and other pre- change tax attributes (such as **foreign tax** research and development-credit carryforwards) to offset its post- change taxable income or taxes may be limited. Changes in our stock ownership, some of which may be outside of our control, could in the future result in an ownership change. Although we have adopted a provision in our certificate of incorporation designed to discourage investors from acquiring ownership of our common stock in a manner that could trigger a Code Section 382 ownership change, and we have completed studies to provide reasonable assurance that a Code Section 382 ownership change limitation has not occurred **to date for our existing businesses**, we cannot be certain that a taxing authority would reach the same conclusion. If, after a review or audit, a Code Section 382 ownership change limitation were deemed to have occurred, utilization of our domestic-net operating losses and **other tax** attributes credit carryforwards could be limited in future periods and a portion of the carryforwards could expire before being available to reduce future income tax liabilities. **We have identified a material weakness in our internal control over financial reporting at Benchmark, which could, if not remediated, have negative consequences for the Company. Section 404 of the Sarbanes- Oxley Act of 2002 requires any company subject to the reporting requirements of the U. S. securities laws to include in its annual report on Form 10- K an assessment of its and its consolidated subsidiaries’ internal control over financial reporting. To comply with this statute, we are required to issue a statement as to whether or not our internal control over financial reporting is effective ; and our independent auditors are required to issue an audit opinion on our internal control over financial reporting. As of December 31, 2024, we did not maintain effective internal control over financial reporting attributable to a certain identified material weakness. We describe this material weakness in Item 9A, “ Controls and Procedures,” in this Annual Report on Form 10- K. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses will not be considered remediated until the applicable new or enhanced controls operate for a sufficient period and management has concluded, through testing, that these controls are operating effectively. If our remedial measures are insufficient to address the material weakness, or if one or more additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results, which could, in turn, harm our reputation, cause a decline in investor confidence and in the market price of our stock, or restrict our access to capital markets**. Data security and integrity are critically important to our business, and cybersecurity incidents — including cyberattacks, breaches of security, unauthorized access to or disclosure of confidential information, business disruption, or the perception that confidential information is not secure — could result in a material loss of business, regulatory enforcement, substantial legal liability and / or significant harm to our reputation, which could have a material adverse effect on our business, financial condition and results of operations. Improper access to, misappropriation, destruction or disclosure of confidential, personal or proprietary data could result in significant harm to our reputation or the reputation of any of our operating businesses. The security and protection of our and their data is **a one of our top priorities** priority. We and our operating businesses have devoted significant resources to maintain and regularly upgrade the wide array of physical, technical and contractual safeguards that we and they employ to provide security around the collection, storage, use, access and delivery of information we and they possess. We and they have implemented various measures to manage the risks related to system and network security and disruptions, but an actual or perceived security breach, a failure to make adequate disclosures to the public or relevant agencies following any such event or a significant and extended disruption in the functioning of information technology systems could damage our or one of our operating businesses’ reputation and cause us to lose opportunities or them to lose clients, adversely impact our operations, sales or results of operations and require us or them to incur significant expense to address and remediate or otherwise resolve such issues. Although neither we nor our business have incurred material losses or liabilities to date as a result of any breaches, unauthorized disclosure, loss or corruption of our or their data or the inability of their clients to access their systems, such events could result in proprietary, confidential or otherwise protected information being lost or stolen, including client, employee or business data, disrupt their operations, subject us or them to substantial regulatory and legal proceedings and potential liability and fines, result in a material loss of business and / or significantly harm our or their reputation. If we are unable to efficiently manage the vulnerability of our systems and effectively maintain and upgrade system safeguards, we and they may incur unexpected costs and certain of our or their systems may become more vulnerable to unauthorized access. Due to concerns regarding data privacy and security, a growing number of legislative and regulatory bodies have adopted breach notification and other requirements in the event that information subject to such laws is accessed by unauthorized persons and additional regulations regarding the use, access, accuracy and security of such data are possible. Complying with such numerous and complex regulations can be expensive and difficult, and failure to comply with these regulations could subject us to regulatory scrutiny and liability. In many jurisdictions, including North America and the European Union, certain of our operating companies are or may in the future be subject to laws and regulations relating to the collection, use, retention, security and transfer of this information including the European Union and United

Kingdom General Data Protection Regulation regimes. California also enacted legislation, the California Consumer Privacy Act of 2018 (“CCPA”) and the related California Privacy Rights Act (“CPRA”) that afford California residents expanded privacy protections and a private right of action for security breaches affecting their personal information. Since then, many other U. S. states have passed comprehensive data privacy laws and this number will likely continue to grow. These and other similar laws and regulations are frequently changing and are becoming increasingly complex and sometimes conflict among the various jurisdictions and countries in which certain of our operating companies provide services both in terms of substance and in terms of enforceability. This makes compliance challenging and expensive. For example, an operating company’s failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace. If we or they are unable to protect our or their computer systems, software, networks, data and other technology assets it could have a material adverse effect on our or their business, financial condition and results of operations, and ultimately the value of our businesses. **We have a history of losses, and we may not be consistently profitable in the future. While we achieved profitability in 2023, we incurred net losses in 2024 and have incurred net losses in certain years prior. We will need to generate and sustain increased revenue levels in future periods in order to become consistently profitable, and even if we do, we may not be able to maintain or increase our level of profitability. We may incur losses in the future for a number of reasons, including the risks described in these risk factors, an increase in operating expense, and other unknown risks. Any failure by us to sustain profitability on a consistent basis could cause the value of our common stock to decline.** Public health threats, pandemics and outbreaks of communicable diseases could have a material adverse effect on our operations, the operations of our business partners, and the global economy as a whole. Public health threats, pandemics and outbreaks of communicable diseases could adversely impact our operations, as well as the operations of our licensees and other business partners. We have taken precautions in the operation of our own business and maintain an up-to-date disaster recovery and business continuity policy as well as have the systems and support to have our workforce work remotely for an indefinite period of time. However, future public health threats, pandemics or outbreaks of communicable diseases, similar to the COVID-19 outbreak, could have a material adverse effect on our business, operations and financial results. ~~We~~ **Due to the completion of the transactions pursuant to the Recapitalization Agreement, we** are a “controlled company” within the meaning of the Nasdaq listing standards and, as a result, qualify for, and may in the future decide to rely on, exemptions from certain corporate governance requirements. As a result, our stockholders will not have the same protections afforded to stockholders of companies that are subject to such requirements if in the future we determine to take advantage of any of the controlled company exemptions. Due to the completion of the transactions pursuant to the Recapitalization Agreement, Starboard controls a majority of the voting power of our outstanding common stock. As of March ~~11-12, 2024-2025~~, Starboard controlled approximately ~~61-63, 2-6~~ % of the voting power of our common stock. As a result, we qualify as a “controlled company” within the meaning of the corporate governance standards of Nasdaq. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a “controlled company” and may avail itself of certain corporate governance exemptions afforded to controlled companies, including the requirements that a majority of the Board consist of independent directors, we have a nominating and corporate governance committee that is composed entirely of independent directors, and we have a compensation committee that is composed entirely of independent directors. As of the date of this Annual Report on Form 10-K, we have not elected to rely on any of these exemptions. However, if in the future we decide to rely on some or all of these exemptions, our stockholders will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq. Our principal stockholder, Starboard, controls ~~61-63, 2-6~~ % of the voting power of our Common Stock, and its interests may conflict with our other stockholders in the future. ~~Following completion of the transactions contemplated by the Recapitalization Agreement,~~ Starboard beneficially owns 61, 123, 595 shares of common stock as of March ~~11-12, 2024-2025~~, representing approximately ~~61-63, 2-6~~ % of the common stock based on ~~99-96, 895-086, 473-040~~ shares of common stock issued and outstanding as of such date. As a result, Starboard is able to control the election of our directors and thereby determine our corporate and management policies, including potential mergers or acquisitions, asset sales, amendment of our amended and restated certificate of incorporation or amended and restated bylaws and other significant corporate transactions for so long as Starboard and its affiliates retain significant ownership of us. Starboard and its affiliates may also direct us to make significant changes to our business operations and strategy, including with respect to, among other things, strategic acquisitions, investments and initiatives to reduce costs and expenses. This concentration of our ownership may delay or deter possible changes in control of the Company, which may reduce the value of an investment in our common stock. The interests of Starboard may not coincide with the interests of other holders of our common stock. In the ordinary course of their business activities, Starboard and its affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. Starboard and its affiliates also may pursue acquisition or investment opportunities that may be complementary to our business and, as a result, those acquisition or investment opportunities may not be available to us. In addition, Starboard may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance an investment in our Company, even though such transactions might involve risks ~~to-for~~ our stockholders. In addition, Starboard and its affiliates **can are able to** determine the outcome of all matters requiring stockholder approval and **can are able to** cause or prevent a change of control of our Company or a change in the composition of our Board and could preclude any acquisition of our Company. This concentration of voting control could deprive our stockholders of an opportunity to receive a premium for shares of common stock as part of a sale of our Company and ultimately might affect the market price of our common stock. Risks Related to our Intellectual Property Business and Industry Our intellectual property business is reliant on the strength of our patent portfolios and is subject to evolving legislation, regulations, and rules associated with patent law. The success of our intellectual property business is heavily dependent on obtaining and enforcing patents. Patent acquisition and enforcement is costly, time-consuming and inherently uncertain. Obtaining and enforcing patents across various industries,

including the life science industry, involves a high degree of technological and legal complexity. Our patent rights may be affected by developments or uncertainty in U. S. or foreign patent statutes, patent case law, U. S. Patent and Trademark Office ("USPTO ") rules and regulations and the rules and regulations of foreign patent offices. In addition, the United States may, at any time, enact changes to U. S. patent law and regulations, including by legislation, by regulatory rulemaking, or by judicial precedent, that adversely ~~affect~~ **affects** the scope of patent protection available and ~~weaken~~ **weakens** the rights of patent owners to obtain patents, enforce against patent infringement and obtain injunctions and / or damages. For example, over the past several years, the Court of Appeals for the Federal Circuit and the Supreme Court issued various opinions, and the USPTO modified its guidance for practitioners on multiple occasions, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Other countries may likewise enact changes to their patent laws in ways that adversely diminish the scope of patent protection and weaken the rights of patent owners to obtain patents, enforce against patent infringement, and obtain injunctions and / or damages. In addition to increasing uncertainty ~~with regard~~ **regarding** to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third- party patents, and whether Congress or other foreign legislative bodies may pass patent reform legislation that is unfavorable to us, which, may in turn, affect the value of our patent assets. Further, the United States and other governments may, at any time, enact changes to law and regulation that create new avenues for challenging the validity of issued patents. For example, the America Invents Act created new administrative post- grant proceedings, including post- grant review, inter- partes review, and derivation proceedings that allow third parties to challenge the validity of issued patents. This applies to all of our U. S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U. S. federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. In addition to increasing uncertainty ~~with regard~~ **regarding** to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U. S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. Additionally, new rules regarding the burden of proof in patent enforcement actions could significantly increase the cost of our enforcement actions, and new standards or limitations on liability for patent infringement could negatively impact our revenue derived from such enforcement actions. In addition, recent federal court decisions have lowered the threshold for obtaining attorneys' fees in patent infringement cases and increased the level of deference given to a district court' s fee- shifting determination. These decisions may make it easier for district courts to shift a prevailing party' s attorneys' fees to a non- prevailing party if the district court believes that the case was weak or conducted in an abusive manner. As a result, defendants in patent infringement actions brought by non- practicing entities may elect not to settle because these decisions make it much easier for defendants to get attorneys' fees. Finally, it is difficult to predict the outcome of patent enforcement litigation at the trial level and outcomes can be unfavorable. It can be difficult to understand complex patented technologies, and as a result, this may lead to a higher rate of unfavorable litigation outcomes. Moreover, in the event of a favorable outcome, there is often a higher rate of successful appeals in patent enforcement litigation than more standard business litigation. Such appeals are expensive and time consuming, resulting in increased costs and a potential for delayed or foregone revenue opportunities in the event of modification or reversal of favorable outcomes. Although we diligently pursue enforcement litigation, we cannot predict with reliability the decisions made by juries and trial courts. We expect patent- related legal expenses to continue to fluctuate ~~from period to period~~. Our patent- related legal expenses may fluctuate based on the factors summarized herein, in connection with future trial dates, international enforcement, strategic patent portfolio prosecution and our current and future patent portfolio investment, prosecution, licensing and enforcement activities. The pursuit of enforcement actions in connection with our licensing and enforcement programs can involve certain risks and uncertainties, including the following:

- Increases in patent- related legal expenses associated with patent infringement litigation, including, but not limited to, increases in costs billed by outside legal counsel for discovery, depositions, economic analyses, damages assessments, expert witnesses and other consultants, re- exam and inter partes review costs, case- related audio / video presentations and other litigation support and administrative costs could increase our operating costs and decrease our profit generating opportunities;
- Our patented technologies and enforcement actions are complex and, as a result, we may be required to appeal adverse decisions by trial courts ~~in order~~ to successfully enforce our patents. Moreover, such appeals may not be successful;
- New legislation, regulations or rules related to enforcement actions, including any fee or cost shifting provisions, could significantly increase our operating costs and decrease our profit generating opportunities.

Increased focus on the growing number of patent- related lawsuits may result in legislative changes which increase our costs and related risks of asserting patent enforcement actions;

- Courts may rule that our subsidiaries have violated certain statutory, regulatory, federal, local or governing rules or standards by pursuing such enforcement actions, which may expose us and our operating subsidiaries to material liabilities, which could harm our operating results and our financial position;
- The complexity of negotiations and potential magnitude of exposure for potential infringers associated with higher quality patent portfolios may lead to increased intervals of time between the filing of litigation and potential revenue events (i. e., markman dates, trial dates), which may lead to increased legal expenses, consistent with the higher revenue potential of such portfolios; and
- Fluctuations in overall patent portfolio related enforcement activities, which are impacted by the portfolio intake challenges discussed above that could harm our operating results and our financial position. Patent litigation is inherently risky because courts may find our patents invalid, not infringed, or unenforceable, and the USPTO, or other relevant patent office, may either invalidate our patents or materially narrow the scope of their claims during ~~the course of~~ a reexamination, opposition or other such proceeding. Patent litigation is inherently risky and may result in the invalidation of our patents, even if we are the plaintiff in an underlying action.

It is difficult to predict the outcome of patent enforcement litigation at any level. Although we diligently pursue enforcement litigation, we cannot predict with significant reliability the decisions made by juries and trial courts. At the trial level, it is often difficult for juries and trial judges to understand complex, patented technologies, and as a result, there is a higher rate of successful appeals in patent enforcement litigation than more standard business litigation. The defendant to any case we bring may file as many appeals as allowed by right, including to District Court, the Federal Circuit and the Supreme Court. Such appeals are expensive and time-consuming, and the outcomes of such appeals are sometimes unpredictable, resulting in increased costs and reduced or delayed revenue which could have a material adverse effect on our results of operations and financial condition. These appeals may also result in the invalidation of our patents, which may have an adverse impact on our operations and financial performance. In addition, counterparties in our patent litigation matters may devote a substantial amount of resources to avoid or limit a finding that they are liable for infringing on our patents or, in the event liability is found, to avoid or limit the amount of associated damages. There is a risk these counterparties may file inter-partes reviews, reexaminations or other proceedings with the USPTO or other government agencies in the United States or abroad ~~in an attempt~~ to invalidate, narrow the scope or render unenforceable the patents we own or control. If this were to occur, it may have a significant negative impact on the operations of our intellectual property business. The enforcement of our intellectual property depends in part upon our ability to retain the best legal counsel in order to achieve favorable outcomes from litigation, and they may become conflicted out of representing us. The success of our intellectual property business depends in part upon our ability to retain the best legal counsel to coordinate our patent infringement litigation matters. As our intellectual property business evolves, we expect it will become more difficult to find the best legal counsel to handle all of our patent matters due in part to potential conflicts of interest. This is because, from time to time, the counterparties to our litigation matters have previously engaged world class law firms that ~~are specialized~~ **specialize to in** the industries of the patents at issue in such matters. These previous engagements may have, or may in the future, result in these firms being conflicted out of representing us. The inability to retain the best legal counsel to represent our operating businesses in infringement actions may result in unfavorable or adverse outcomes, which may result in losses, exhaustion of financial resources or other adverse effects which could encumber our ability to effectively operate our business or execute our business strategy. We cannot ensure that any of our current or prospective patent prosecution or litigation matters will result in a favorable outcome for us. We may experience delays in successful prosecution, enforcement, and licensing of our patent portfolio. The value of our patent portfolios is dependent upon the issuance of patents in a timely manner. More patent applications are filed each year, resulting in longer delays in getting patents issued by the USPTO. We believe this increase in patent applications has resulted in longer delays in obtaining approval of pending patent applications. If the USPTO experiences reductions in funding, it could have an adverse impact on the cost of processing pending patent applications and the value of those pending patent applications, negatively impacting the value of our patent portfolio pipeline. Further, reductions in funding from Congress could result in higher patent application filing and maintenance fees charged by the USPTO, causing an increase in our expenses. Application delays could cause delays in recognizing revenue from these patents and could cause us to miss opportunities to license patents before other competing technologies are developed or introduced into the market. After prosecuting our patents, our Intellectual Property business can incur significant general and administrative and legal ~~expense~~ **expenses** prior to entering into license agreements and generating license revenues. We spend considerable resources educating prospective licensees on the benefits of a license arrangement with us. As such, we may incur significant losses in any particular period before any associated revenue stream begins. We are frequently engaged in litigation to enforce the terms of our existing license agreements, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. Enforcement proceedings are typically protracted and complex. The costs are typically substantial, and the outcomes are unpredictable. Enforcement actions divert our managerial, technical, legal and financial resources from business operations and there are no assurances that such enforcement actions will result in favorable results for us. Patent litigation schedules in general, and in particular trial dates, are subject to routine adjustment, and in most cases delay, as courts adjust their calendars or respond to requests from one or more parties. Trial dates often are rescheduled by the court for various reasons that are often unrelated to the underlying patent assets and typically for reasons that are beyond our control. As a result, to the extent such events are an indicator of possible future revenue opportunities for us, or other outcome determinative events, they may and often do change which can result in delay of the expected scheduled event. Any such delay could be significant and could affect the corresponding future revenue opportunities, thus adversely impacting our business, results of operations and financial condition. Further, federal courts are becoming more crowded, and as a result, patent enforcement litigation is taking longer. Our patent enforcement actions are almost exclusively prosecuted in federal court. Federal trial courts that hear our patent enforcement actions also hear criminal cases. Criminal cases tend to take priority over our actions. As a result, it is difficult to predict the length of time it will take to complete an enforcement action. Moreover, we believe there is a trend in increasing numbers of civil lawsuits and criminal proceedings before federal judges and, as a result, we believe that the risk of delays in our patent enforcement actions will have a greater negative effect on our business in the future unless this trend changes.

Risks Related to our Energy Operations Business and Industry If oil and gas prices decline from current levels, or if there is an increase in the differential between the NYMEX- WTI and NYMEX- Henry Hub or other benchmark prices of oil and the wellhead price we receive for our production, our cash flows from our Energy Operations Business will decline. Historically, **crude oil , natural gas and NGL** prices have been extremely volatile. The volatility of the energy markets makes it extremely difficult to predict future oil price movements with any certainty. While our Energy Operations Business hedges a significant portion of its production, lower **crude oil , natural gas and NGL** prices may decrease revenues and therefore, cash flows from operations. Prices for **crude oil , natural gas and NGL** may fluctuate widely in response to relatively minor changes in supply of and demand for **crude oil , natural gas and NGLs** . Market uncertainty and a variety of additional factors that are beyond the control of our Energy Operations Business, include: the domestic and foreign supply of and demand for **crude oil , natural gas and NGLs** ; market expectations about future prices of ~~oil; the price and~~

quantity of imports of crude oil, natural gas and NGLs; the price and quantity of imports of crude oil, natural gas and NGLs; overall domestic and global economic conditions; political and economic conditions in other oil producing countries, including embargoes and continued hostilities in the Middle East and other sustained military campaigns, acts of terrorism or sabotage, and world- wide epidemics, including the coronavirus; the ability of the members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls; trading in oil derivative contracts; the level of consumer product demand; weather conditions and natural disasters; technological advances affecting energy consumption; domestic and foreign governmental regulations and taxes; the proximity, cost, availability and capacity of oil pipelines and other transportation facilities; the impact of the U. S. dollar exchange rates on oil prices; and the price and availability of alternative fuels. Also, the prices that our Energy Operations Business receives for oil and gas production often reflects a regional discount, based on the location of the production, to the relevant benchmark prices, such as the NYMEX- WTI and NYMEX- Henry Hub, that are used for calculating hedge positions. These discounts, if significant, could similarly adversely affect cash flows from operations and financial condition. If commodity prices decline from current levels, production from some of Benchmark's assets may become uneconomic and cause write downs of the value of its properties, which may adversely affect its ability to borrow, its financial condition and its ability to make distributions. If commodity prices decline from current levels, some of Benchmark's assets may become uneconomic and, if the decline is severe or prolonged, a significant portion of such projects may become uneconomic. As producing or development projects become uneconomic, Benchmark's reserve estimates will be adjusted downward, which could negatively impact its borrowing base under its current revolving credit facility and its ability to fund operations. Additionally, there is a risk that Benchmark will be required to write down the carrying value of its oil and natural gas properties when oil or natural gas prices are low or are declining, as occurred in 2020. In addition, non- cash write-downs may occur if it has: • downward adjustments to its estimated proved reserves; • increases in its estimates of development costs; or • deterioration in its exploration and development results. A write- down does not affect net cash flows from operating activities, liquidity or capital resources, but it does reduce the book value of net tangible assets, retained earnings and shareholders' equity, and could lower the value of our common stock. The oil and natural gas industry and the broader U. S. economy have experienced higher than expected inflationary pressures in recent years related to increases in oil and natural gas prices, continued supply chain disruptions, labor shortages and geopolitical instability, among other pressures. Should these conditions persist, it may impact our Energy Operations Business' ability to procure services, materials and equipment on a cost- effective basis, or at all, and, as a result, our business, financial condition, results of operations and cash flows could be materially and adversely affected. Inflation in the U. S. has become been much more significant in recent years, and in 2022 it reached its highest levels in approximately 40 years. Throughout 2022 and 2023, energy Energy companies have experienced significant increases in the costs of certain oilfield services, materials and equipment, including diesel, steel, labor, trucking, sand, personnel and completion costs, among others, as a result of the recent increases in oil and natural gas prices, as well as availability constraints, supply chain disruptions, increased demand, labor shortages and wage inflation associated with a low U. S. unemployment rate, inflation and other factors. These supply and demand fundamentals have been further aggravated by disruptions in global energy supply caused by multiple geopolitical events, including the ongoing military conflict between Russia and Ukraine and actions of U. S. and other governments and governmental organizations relating to Russia's oil, natural gas and NGLs, including through sanctions, embargoes, import restrictions and commodity price caps. Our For the foreseeable future, our Energy Operations Business expects for the foreseeable future to experience supply chain constraints and inflationary pressure on its cost structure. Should oil and natural gas prices remain at their current levels or increase, our Energy Operations Business expects to be subject to additional service cost inflation in future periods, which may increase costs to drill, complete, equip and operate wells. In addition, supply chain disruptions and other inflationary pressures being experienced throughout the U. S. and global economy and in the oil and natural gas industry may limit our Energy Operations Business' ability to procure the necessary products and services needed for drilling, completing and producing wells in a timely and cost- effective manner, which could result in reduced margins and delays to its operations and could, in turn, have a material adverse effect on our business, financial condition, results of operations and cash flows. Our The hedging strategy of our Energy Operations Business's hedging strategy may be ineffective in mitigating the impact of commodity price volatility on cash flows, which could adversely affect its financial condition. Benchmark's hedging strategy is to enter into commodity derivative contracts covering a significant portion of its medium- term estimated hydrocarbon production. The prices at which it can is able to enter into commodity derivative contracts covering its production in the future will be dependent upon commodity futures prices at the time it enters into these transactions, which may be substantially higher or lower than current prices. Benchmark's revolving credit facility prohibits it from entering into commodity derivative contracts with the purpose and effect of fixing prices covering all of its estimated future production, and we therefore retain the risk of a price decrease on Benchmark's volumes which we are precluded from securing with commodity derivative contracts. Furthermore, we may be unable to enter into additional commodity derivative contracts during favorable market conditions and, thus, may be unable to lock in attractive future prices for our product sales. Finally, the Benchmark's revolving credit facility and associated amendments may cause Benchmark to enter into commodity derivative contracts at inopportune times. Our The hedging activities of our Energy Operations Business's hedging activities could result in cash losses and may limit the prices it would otherwise realize for production, which could reduce cash flows from operations. Benchmark's hedging strategy may limit its ability to realize cash flows from commodity price increases. Many of its commodity derivative contracts requires- require Benchmark to make cash payments to the extent the applicable index exceeds a predetermined price, thereby limiting its ability to realize the benefit of increases in oil prices. If Benchmark's actual production and sales for any period are less than its hedged production and sales for that period (including reductions in production due to operational delays), Benchmark might be forced to satisfy all or a portion of its hedging obligations without the benefit of the cash flow from the sale of the underlying physical commodity, which may materially adversely impact its liquidity, financial condition and cash flows from operations.

Our The hedging transactions of our Energy Operations Business 's hedging transactions expose it to counterparty credit risk and involve other risks. Benchmark 's hedging transactions exposes it to **the** risk of financial loss if a counterparty fails to perform under a commodity derivative contract. Disruptions in the financial markets could lead to a sudden decrease in a counterparty' s liquidity, which could impair its ability to perform under the terms of the commodity derivative contract and, accordingly, prevent Benchmark from realizing the benefit of the commodity derivative contract. As a result of the Dodd- Frank Wall Street Reform and Consumer Protection Act and other legislation, hedging transactions and many of Benchmark 's contract counterparties have come under increasing governmental oversight and regulations in recent years. Although we cannot predict the ultimate impact of these laws or other proposed laws and the related rulemaking, some of which is ongoing, existing or future regulations may adversely affect the cost and availability of Benchmark 's hedging arrangements, including by causing its counterparties, which include lenders under its revolving credit facility, to curtail or cease their derivative activities. Unless Benchmark replaces the oil and natural gas reserves it produces, its revenues and production will decline, which would adversely affect its cash flows from operations. Producing oil and natural gas reservoirs are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. The future oil and natural gas reserves and production and, therefore, cash flows from operations of our Energy Operations Business are highly dependent on its success in economically acquiring additional recoverable reserves and efficiently operating its current reserves. The production decline rates of our Energy Operations Business may be significantly higher than currently estimated if its wells do not produce as expected. Further, the decline rate may change when Benchmark makes acquisitions. Producing oil and natural gas is a costly and high- risk activity with many uncertainties that could adversely affect our Energy Operations Business 's activities, financial condition or results of operations. The cost of operating oil and natural gas properties is often uncertain, and cost and timing factors can adversely affect the economics of a well. The efforts of our Energy Operations Business may be uneconomical if its properties are productive but do not produce as much oil and natural gas as estimated. Furthermore, the operations of our Energy Operations Business may be curtailed, delayed or canceled as a result of other factors, including: high costs, shortages or delivery delays of equipment, labor or other services; unexpected operational events and conditions; adverse weather conditions and natural disasters; injection plant or other facility or equipment malfunctions and equipment failures or accidents; title disputes; unitization difficulties; pipe or cement failures, casing collapses or other downhole failures; compliance with environmental and other governmental requirements; lost or damaged oilfield service tools; unusual or unexpected geological formations and reservoir pressure; loss of injection fluid circulation; restrictions in access to, or disposal of, water used or produced in oil and natural gas production; costs or delays imposed by or resulting from compliance with regulatory requirements; fires, blowouts, surface craterings, explosions and other hazards that could also result in personal injury and loss of life, pollution and suspension of operations; and uncontrollable flows of oil or well fluids. If any of these factors were to occur with respect to a particular property, Benchmark could lose all or a part of its investment in the property, or it could fail to realize the expected benefits from the property, either of which could materially and adversely affect the financial condition or results of operations. Estimated proved reserves and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of the estimated reserves of our Energy Operations Business. It is not possible to measure underground accumulations of oil and natural gas in an exact way. Oil and natural gas reserve engineering is complex, requiring subjective estimates of underground accumulations of oil and natural gas and assumptions concerning future oil and natural gas prices, future production levels and operating and development costs. As a result, estimated quantities of proved reserves, projections of future production rates and the timing of development expenditures may prove inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves which could affect our Energy Operations Business 's results of operations, financial condition and its ability to make distributions. Any acquisitions completed by our Energy Operations Business are subject to substantial risks that could adversely affect financial conditions and **operational** results of operations. One of the growth strategies of our Energy Operations Business is to capitalize on opportunistic acquisitions of oil and gas reserves. Our Energy Operations Business may not achieve the expected results of any acquisition it completes, and any adverse conditions or developments related to any such acquisition may have a negative impact on its operations and financial condition. Any acquisition involves potential risks, including, among other things: the validity of assumptions about estimated proved reserves, future production, commodity prices, revenues, operating expenses and costs; an inability to successfully integrate the assets it acquires; a decrease in liquidity by using a significant portion of available cash or borrowing capacity to finance acquisitions; a significant increase in interest expense or financial leverage if it incurs additional debt to finance acquisitions; the assumption of unknown liabilities, losses or costs for which it is not indemnified or for which its indemnity is inadequate; the diversion of management' s attention from other business concerns; an inability to hire, train or retain qualified personnel to manage and operate its growing assets; and the occurrence of other significant charges, such as the impairment of oil properties, goodwill or other intangible assets, asset devaluations or restructuring charges. The decision to acquire a property will depend in part on the evaluation of data obtained from production reports and engineering studies, geophysical and geological analyses and seismic data and other information, the results of which are often inconclusive and subject to various interpretations. Also, reviews of properties acquired from third parties may be incomplete because it generally is not feasible to perform an in- depth review of the individual properties involved in each acquisition, given the time constraints imposed by most sellers. Even a detailed review of the properties owned by third parties and the records associated with such properties may not reveal existing or potential problems, nor will such a review permit our Energy Operations Business to become sufficiently familiar with such properties to assess fully the deficiencies and potential issues associated with such properties. Our Energy Operations Business may not always be able to inspect every well on properties owned by third parties, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken. **Currently, our producing properties are concentrated in the Anadarko**

Basin, making us vulnerable to risks associated with operating in a limited number of geographic areas. As a result of our geographic concentration, adverse industry developments in our operating area could have a greater impact on our financial condition and results of operations than if we were more geographically diverse. We may also be disproportionately exposed to the impact of regional supply and demand factors, governmental regulations or midstream capacity constraints. Delays or interruptions caused by such adverse developments could have a material adverse effect on our financial condition and results of operations. Similarly, the concentration of our assets within a small number of producing formations exposes us to risks, such as changes in field wide rules, which could adversely affect development activities or production relating to those formations. In addition, in areas where exploration and production activities are increasing, as has recently been the case in our operating areas, we are subject to increasing competition for drilling rigs, workover rigs, tubulars and other well equipment, services, supplies as well as increased labor costs and a decrease in qualified personnel, which may lead to periodic shortages or delays. The curtailments arising from these and similar circumstances may last from a few days to several months or even longer, and, in many cases, we may be provided only limited, if any, notice as to when these circumstances will arise and their duration.

Our Energy Operations Business is primarily dependent upon a small number of customers for production sales and may experience a temporary decline in revenues and production if it loses any of those customers. The loss of customers by our Energy Operations Business could temporarily delay production and sales of oil and natural gas. If our Energy Operations Business were to lose any of its significant customers, we believe that it could identify substitute customers to purchase the impacted production volumes. However, if any of its customers dramatically decreased or ceased purchasing oil from our Energy Operations Business, our Energy Operations Business may have difficulty receiving comparable rates for its production volumes. In addition, a failure by any of these significant customers, or any purchasers of the production of our Energy Operations Business to perform their payment obligations to us could have a material adverse effect on the results of operations. To the extent that purchasers of production rely on access to the credit or equity markets to fund their operations, there could be an increased risk that those purchasers could default in their contractual obligations. If for any reason our Energy Operations Business was to determine that it was probable that some or all of the accounts receivable from any one or more of the purchasers of production were uncollectible, our Energy Operations Business would recognize a charge in the earnings of that period for the probable loss and could suffer a material reduction in liquidity and ability to make distributions. Our Energy Operations Business might be unable to **effectively** compete ~~effectively~~ with larger companies, which might adversely affect its business activities, financial condition and **operational** results ~~of operations~~. The oil and natural gas industry is intensely competitive, and our Energy Operations Business competes with companies that possess and employ financial, technical and personnel resources substantially greater than theirs. These companies may be able to pay more for properties and evaluate, bid for and purchase a greater number of properties than our Energy Operations Business ¹'s financial, technical or personnel resources permit. The ability of our Energy Operations Business to acquire additional properties in the future will depend on its ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. Many of its larger competitors not only drill for and produce oil and natural gas but also carry ² on refining operations and market petroleum and other products on a regional, national or worldwide basis. In addition, there is substantial competition for investment capital in the oil and natural gas industry. These larger companies may have a greater ability to continue development activities despite a depressed oil price environment and to absorb the burden of present and future federal, state, local and other laws and regulations. The inability of our Energy Operations Business to compete effectively with larger companies could have a material adverse impact on its business activities, financial condition and results of operations. Many of our Energy Operations Business ¹'s leases are in areas that have been partially depleted or drained by offset wells. Many of our Energy Operations Business ¹'s leases are in areas that have already been partially depleted or drained by earlier offset drilling. The owners of leasehold interests lying contiguous or adjacent to or adjoining our interests could take actions, such as drilling additional wells, which could adversely affect the operations of our Energy Operations Business. When a new well is completed and produced, the pressure differential in the vicinity of the well causes the migration of reservoir fluids towards the new wellbore (and potentially away from existing wellbores). As a result, the drilling and production of these potential locations could cause a depletion of proved reserves ³ and may inhibit the ability to further develop our reserves. Our Energy Operations Business ¹'s revolving credit facility has restrictions and financial covenants that may restrict its business and financing activities. Our Energy Operations Business ¹'s revolving credit facility restricts, among other things, the ability to incur debt and pay distributions under certain circumstances ⁴ and requires it to comply with customary financial covenants and specified financial ratios. If market or other economic conditions deteriorate, the ability of our Energy Operations Business to comply with these covenants may be impaired. If our Energy Operations Business violates any provisions of its revolving credit facility that are not cured or waived within specific time periods, a significant portion of its indebtedness may become immediately due and payable, it could be prohibited from making distributions, and its lenders' commitment to make further loans may terminate. Our Energy Operations Business might not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, the obligations of our Energy Operations Business under its revolving credit facility are secured by substantially all of its assets, and if it is unable to repay ~~our~~ **its** indebtedness under ~~the its~~ revolving credit facility, the lenders could seek to foreclose on its assets. ~~Further, the terms of our credit agreement require the pre-approval of our lenders in order to reinstate distributions on our common units.~~ The total amount our Energy Operations Business **can** ~~is able to~~ borrow under its revolving credit facility is limited by a borrowing base, which is primarily based on the estimated value of its oil and natural gas properties and its commodity derivative contracts, as determined by its lenders in their sole discretion. The borrowing base is subject to redetermination on a semi-annual basis and more frequent redetermination in certain circumstances. If its lenders were to decrease the borrowing base to a level below the then outstanding borrowings, the amount exceeding the revised borrowing base could become immediately due and payable. The negative redetermination of the borrowing base could adversely affect our Energy Operations Business' s business, results

of operations, financial condition and the ability to make distributions. Furthermore, in the future, our Energy Operations Business may be unable to access sufficient capital under its revolving credit facility as a result of any decrease in the borrowing base. The operations of our Energy Operations Business are subject to operational hazards and unforeseen interruptions for which it may not be adequately insured. **Our** ~~There are a variety of operating risks inherent in the production of oil and natural gas properties~~ **can become damaged, our operations may be curtailed, delayed or canceled and the costs of such operations may increase as a result of a variety of factors, including, but not limited to: • unexpected drilling conditions, pressure conditions or irregularities in reservoir formations; • loss of drilling fluid circulation; • equipment failures or accidents; • fires, explosions, blowouts, cratering or loss of well control, as well as the mishandling, surface spillage or underground migration of fluids and chemicals; • risks associated with hydraulic fracturing, including any mishandling, surface spillage or potential underground migration of fracturing fluids, including chemical additives; • adverse weather conditions and natural disasters, such as leaks, tornadoes, explosions, earthquakes, hurricanes, mechanical problems and natural disasters, extreme temperatures, all of which could be exacerbated by climate change; • issues with title or in receiving governmental permits or approvals; • restricted takeaway capacity for our production, including due to inadequate midstream infrastructure or constrained downstream markets; • environmental hazards or liabilities, including liabilities for environmental damage **cause caused substantial financial losses by previous owners or operators of properties; • restrictions on access to, or disposal of, water used or produced in drilling and completion operations; • shortages or delays in the availability of services or delivery of equipment; and • unexpected or unforeseen changes in regulatory policy, and political or public opinions**. Any of these or other similar occurrences could result in the disruption of operations, substantial repair costs, personal injury or loss of human life, significant damage to property, environmental pollution, impairment of operations and substantial revenue losses. The location of our Energy Operations Business's wells and other facilities near populated areas, including residential areas, commercial business centers and industrial sites, could significantly increase the level of damages resulting from these risks. Insurance against all operational risks is not available. Our Energy Operations Business is not fully insured against all risks, including development and completion risks that are generally not recoverable from third parties or insurance. In addition, pollution and environmental risks generally are not fully insurable. Additionally, our Energy Operations Business may elect not to obtain insurance if it believes that the cost of available insurance is excessive relative to the perceived risks presented. Losses could, therefore, occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. Moreover, insurance may not be available in the future at commercially reasonable costs and on commercially reasonable terms. Changes in the insurance markets due to weather and adverse economic conditions have made it more difficult to obtain certain types of coverage. As a result, our Energy Operations Business may not be able to obtain the levels or types of insurance it would otherwise have obtained prior to these market changes, and we cannot be sure the insurance coverage it does obtain will not contain large deductibles or fail to cover certain hazards or cover all potential losses. Losses and liabilities from uninsured and under-insured events and delay in the payment of insurance proceeds could have a material adverse effect on the business, financial condition, results of operations and ability of our Energy Operations Business to make distributions. **Benchmark is not the operator of all of our oil and natural gas properties and therefore we are not in a position to control the timing of development efforts, the associated costs or the rate of production of the reserves on such properties. Benchmark is not the operator of all of the properties in which we have an interest, and has limited ability to exercise influence over the operations of such non-operated properties or their associated costs. As of December 31, 2024, non-operated wells represented approximately 10 percent of Benchmark's total owned gross wells, or 2 percent of Benchmark's owned net wells. Dependence on the operator and other working interest owners for these projects, and limited ability to influence operations and associated costs, could prevent the realization of targeted returns on capital in drilling or acquisition activities. The success and timing of development and exploration activities on properties operated by others will depend upon a number of factors that will be largely outside of our control, including: • the timing and amount of capital expenditures; • the availability of suitable drilling equipment, production and transportation infrastructure and qualified operating personnel; • the operator's expertise and financial resources; • approval of other participants in drilling wells; • selection of technology; and • the rate of production of the reserves. In addition, when we are not the majority owner or operator of a particular oil or natural gas project, if we are not willing or able to fund our capital expenditures relating to such projects when required by the majority owner or operator, our interests in these projects may be reduced or forfeited. Oil and natural gas production operations, especially those using hydraulic fracturing, are substantially dependent on the availability of water. Our ability to produce natural gas, oil and NGL economically and in commercial quantities could be impaired if we are unable to acquire adequate supplies of water for our operations or are unable to dispose of or recycle the water resulting from our operations economically and in an environmentally safe manner. Water is an essential component of oil and natural gas production during the drilling, and in particular, hydraulic fracturing, process. Our inability to locate sufficient amounts of water, or dispose of or recycle water resulting from our exploration and production operations, could adversely impact our operations. For water sourcing, we first seek to use non-potable water supplies for our operational needs. In certain areas, there may be insufficient local aquifer capacity to provide a source of water for drilling activities. Water must then be obtained from other sources and transported to the drilling site, which may adversely impact operating costs or result in a delay or interruption of operations. Further, an inability to secure sufficient amounts of water or to dispose of or recycle the water used in our operations could adversely impact our operations in certain areas. The imposition of new environmental regulations could further restrict our ability to conduct operations such as hydraulic fracturing by restricting the disposal of substances such as produced water and drilling fluids**. Our Energy Operations Business depends in part on transportation, pipelines and refining facilities owned by others. Any limitation in the availability of those facilities could interfere with an ability to market production and could harm its**

business. The marketability of production depends in part on the availability, proximity and capacity of pipelines, tanker trucks and other transportation methods and refining facilities owned by third parties. The amount of oil that can be produced and sold is subject to curtailment in certain circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage or lack of available capacity on such systems, tanker truck availability and extreme weather conditions. Also, the shipment of oil on third party pipelines may be curtailed or delayed if it does not meet the quality specifications of the pipeline owners. The curtailments arising from these and similar circumstances may last from a few days to several months. In many cases, our Energy Operations Business is provided only with limited, if any, notice as to when these circumstances will arise and their duration. Any significant curtailment in gathering system or transportation or refining facility capacity could reduce the ability to market oil production and harm our Energy Operations Business. Access to transportation options and the prices our Energy Operations Business receives for production can also be affected by federal and state regulation, including regulation of oil production and transportation, and pipeline safety, as well by general economic conditions and changes in supply and demand. In addition, the third parties on whom our Energy Operations Business relies for transportation services are subject to complex federal, state, tribal and local laws that could adversely affect the cost, manner or feasibility of conducting business. Climate change legislation, regulatory initiatives and litigation could result in increased operating costs and reduced demand for the oil and natural gas that our Energy Operations Business produces. We believe it is likely that scientific and political and public attention to issues concerning the extent, causes of and responsibility for climate change will continue, with the potential for further regulations, regulatory changes and litigation that could affect the operations of our Energy Operations Business. Our Energy Operations Business operations result in greenhouse gas (“GHG”) emissions. In December 2009, the Environmental Protection Agency (the “EPA”) published its findings that emissions of carbon dioxide, methane and other GHG present a danger to public health and the environment. Based on these findings, the EPA began adopting and implementing regulations that restrict emissions of GHG under existing provisions of the federal Clean Air Act (“CAA”). However, in January 2025, the Trump administration issued an executive order directing the EPA to re-evaluate the legality and continuing applicability of the endangerment finding requirements. Although there have been attempts at comprehensive federal legislation establishing a GHG cap and trade program, these efforts were not successful. Various states have considered or adopted legislation that seeks to control or reduce emissions of GHG from motor vehicles, requirements associated with certain construction and operating permit reviews for GHG emissions from a wide range of sources and there may be future such efforts at the state level. In addition, the United States has at times been a party to certain international agreements, large stationary sources, reporting requirements for pacts and other commitments designed to address climate change and reduce GHG emissions from specified large GHG emission sources, including certain owners and operators of onshore oil and natural gas production and rules requiring so-called “green completions” of natural gas wells constructed after January 2015. Our Energy Operations Business currently monitors GHG emissions from operations in accordance with the GHG emissions reporting rule. Data collected from our GHG monitoring activities to date indicate that our Energy Operations Business does not exceed the threshold level of GHG emissions triggering a reporting obligation. To the extent it exceeds the applicable regulatory threshold level in the future, our Energy Operations Business will report the emissions beginning in the applicable period. Also, the U. S. Congress has, from time to time, considered legislation to reduce emissions of GHG, and almost one-half of the states, either individually or through multi-state regional initiatives, have begun implementing legal measures to reduce emissions of GHG. On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) created the Methane Emissions Reduction Program to incentivize methane emission reductions and, for the first time ever, impose a fee on GHG emissions from certain facilities that exceed specified emissions levels. Further, on November 11, 2022, the EPA issued a supplemental notice of proposed rulemaking on methane and GHG emissions from new and existing sources in the oil and natural gas industry. On December 2, 2023, the EPA issued a prepublication version of a final rule to reduce methane and volatile organic chemicals emissions from the oil and natural gas sector, which strengthens and expands the EPA’s November 1, 2021 proposed revisions to the New Source Performance Standards program established under Section 111 of the CAA and creates new emissions restrictions for existing sources as well. On November 17, 2023, the EPA issued a final rule that enables states to implement more stringent methane emissions standards than the federal guidelines require. In addition, under the Paris Agreement, which went into effect on November 4, 2016, countries are required to establish increasingly stringent nationally determined contributions (“NDC”), which set GHG emission reduction goals, every five years beginning in 2020 to mitigate climate change. The United States exited the Paris Agreement in November 2020 but rejoined the agreement effective February 19, 2021. In April 2021, the United States made its NDC submittal, setting a goal to achieve a 50 to 52% reduction from 2005 levels in economy-wide net greenhouse gas pollution in 2030. Further, in November 2021, the United States and other countries entered into the Glasgow Climate Pact. However, in January 2025, the Trump administration issued an executive order directing the U. S. Ambassador to the United Nations to immediately submit formal written notification of the U. S.’s withdrawal from the Paris Agreement and any agreement, pact, accord or similar commitment made under the United Nations Framework Convention on Climate Change, which would include the Glasgow a range of measures designed to address climate change, including but not limited to the phase-out of fossil fuel subsidies, reducing methane emissions 30% by 2030, and cooperating toward the advancement of the development of alternative sources of energy. The adoption and implementation of any legislation or regulations to reduce GHG emissions or imposing additional GHG reporting obligations could require our Energy Operations Business to incur significant costs to reduce emissions of GHG associated with operations or comply with such reporting obligations. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, the oil and natural gas produced by our Energy Operations Business. Consequently, legislation and regulatory programs to reduce emissions of GHGs could have a material adverse effect on our Energy Operations Business. Reduced demand for the oil and natural gas that it produces could also have the effect of lowering the value of its

reserves. In addition, there have also been efforts in recent years to influence the investment community, including investment advisors, investment fund managers and certain family foundations, universities, individual investors and sovereign wealth, pension and endowment funds, promoting divestment of, or limit investment in, fossil fuel equities and pressuring lenders to limit or stop funding to companies engaged in the extraction of fossil fuel reserves. Such environmental activism and initiatives aimed at limiting climate change and reducing air pollution could interfere with the business activities, operations and ability to access capital by or of our Energy Operations Business. Finally, increasing attention to the risks of climate change has resulted in an increased possibility of lawsuits or investigations brought by public and private entities against companies engaged in oil and natural gas production in connection with their GHG emissions. Should we be targeted by any such litigation or investigations, we may incur liability, which, to the extent that societal pressures or political or other factors are involved, could be imposed without regard to the causation of or contribution to the asserted damage, or to other mitigating factors. The ultimate impact of GHG agreements, legislation and measures on our financial performance is highly uncertain because we are unable to predict, for a multitude of individual jurisdictions, the outcome of political decision-making processes and the variables and trade-offs that inevitably occur in connection with such processes. In an interpretative guidance on climate change disclosures, the SEC indicated that climate change could **influence** have an effect on the severity of weather (including hurricanes, droughts and floods), sea levels, the arability of farmland and water availability and quality. If such effects were to occur, there is the potential for our Energy Operations Business's exploration and production operations to be adversely affected. Potential adverse effects could include damages to **the assets or facilities of our Energy Operations Business**, or to transportation, pipeline and refinery owned by others on which ~~its~~ **their** operations depend, from powerful winds or rising waters in low-lying areas, disruption of production, less efficient or non-routine operating practices necessitated by climate effects and increased costs for insurance coverage in the aftermath of such effects. Any future exploration and development activities and equipment could also be adversely affected by severe weather conditions such as hurricanes or freezing temperatures, which may cause a loss of production from temporary cessation of activity from regional power outages or lost or damaged facilities and equipment. Such severe weather conditions could also impact access to drilling and production facilities for routine operations, maintenance and repairs and the availability of and access to, necessary third-party services, such as gathering, processing, compression and transportation services. These constraints and the resulting shortages or high costs could delay or temporarily halt our Energy Operations Business's operations and materially increase its operation and capital costs, which could have a material adverse effect on its business, financial condition and results of operations. Significant physical effects of climate change could also have an indirect effect on the financing and operations of our Energy Operations Business by disrupting the transportation or process-related services provided by it or other midstream companies, service companies or suppliers with whom it has a business relationship. Our Energy Operations Business may not be able to recover through insurance some or any of the damages, losses or costs that may result from potential physical effects of climate change. Regulation in response to seismic activity could increase our operating and compliance costs. ~~Recent earthquakes~~ **An increase in seismic activity** in northern and central Oklahoma and elsewhere have prompted concerns about **possible relationships between such** seismic activity and ~~possible relationships with~~ the energy industry, in particular a possible connection between the operation of injection wells used for produced water disposal and the increased occurrence of seismic activity. Legislative and regulatory initiatives intended to address these concerns may result in additional levels of regulation that could lead to operational delays, increases in operating and compliance costs or other adverse ~~affects~~ **effects** to the operations or Energy Operations Business. To date, these regulations have not adversely impacted such operations. The adoption and implementation of any new laws, rules, regulations, requests, or directives that restrict the ability to dispose of water, including by plugging back the depths of disposal wells, reducing the volume of oil and natural gas wastewater disposed in such wells, restricting disposal well locations, or by requiring the shut-down of disposal wells, could have a material adverse effect on the ability of our Energy Operations Business to produce oil and natural gas economically, or at all, and accordingly, could materially and adversely affect the business, financial condition and results of operations of our Energy Operations Business. Rules regulating air emissions from oil and natural gas operations could result in increased capital expenditures and operating costs **of for** our Energy Operations Business. In recent years, the EPA issued final rules to subject oil and natural gas operations to regulation under the New Source Performance Standards ("NSPS") and National Emission Standards for Hazardous Air Pollutants ("NESHAP") programs under the CAA and to impose new and amended requirements under both programs. The EPA rules include NSPS standards for completions of hydraulically fractured oil and natural gas wells, compressors, controllers, dehydrators, storage tanks, natural gas processing plants and certain other equipment. These rules have required changes to our operations, including the installation of new equipment to control emissions. In ~~January 2023, the EPA announced a proposed consent decree that, if finalized as proposed, would establish a December 10, 2024 deadline for the EPA to review and propose revisions to the NESHAP for oil and natural gas production facilities and natural gas transmission and storage facilities, which may require us to make additional changes to our operations.~~ In December 2023, the EPA issued final NSPS updates and emission guidelines to reduce methane and other pollutants from the oil and gas industry. In **April 2024, the EPA issued a final consent decree that established a December 10, 2024 deadline for the EPA to review and propose revisions to the NESHAP for oil and natural gas production facilities and natural gas transmission and storage facilities, which may require us to make additional changes to our operations.** The EPA has not yet proposed any such revisions. **The EPA issued a final rule on October 22, 2024, removing the affirmative defense for violations caused by malfunctions from the NESHAP for the oil and natural gas production source category and natural gas transmission and storage source category. On November 18, 2024, the EPA published a final rule under authority of the IRA that imposes a waste emissions charge on large emitters of waste methane from the oil and gas sector. Multiple states have filed suit against the EPA in the United States Court of Appeals for the District of Columbia claiming that the waste emissions charge exceeds the agency's statutory authority, and various proposals have been advanced in Congress to either repeal the waste charge portion of the IRA or to reverse**

the EPA's implementing regulations through the Congressional Review Act. ~~several~~ **Several** states are pursuing **measures** similar ~~measures to those proposed or adopted by the EPA to top~~ regulate emissions of methane from new and existing sources within the oil and natural gas source category. As a result of this continued regulatory focus, future federal and state regulations of the oil and natural gas industry remain a possibility. Compliance with existing or new air emission requirements could increase costs of development and production, though we do not expect these requirements to be any more burdensome to our Energy Operations Business than to other similarly situated companies involved in oil and natural gas exploration and production activities. Our Energy Operations Business ~~L's~~ operations are subject to environmental and operational safety laws and regulations that may expose it to significant costs and liabilities. Our Energy Operations Business may incur significant costs and liabilities **due to as a result of** environmental and safety requirements applicable to oil and natural gas development and production activities. These costs and liabilities could arise under a wide range of federal, state, tribal and local environmental and safety laws and regulations, including regulations and enforcement policies, which have tended to become increasingly strict over time. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of cleanup and site restoration costs and liens, liability for natural resource damages, and to a lesser extent, issuance of injunctions to limit or cease operations. In addition, our Energy Operations Business may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt operations and limit growth and revenue. Claims for damages to persons or property from private parties and governmental authorities may result from environmental and other impacts of operations. Strict, joint and several liabilities may be imposed under certain environmental laws, which could cause our Energy Operations Business to become liable for the conduct of others or for consequences of its own actions that were in compliance with all applicable laws at the time those actions were taken. New laws, regulations or enforcement policies could be more stringent and impose unforeseen liabilities or significantly increase compliance costs. If our Energy Operations Business is not able to recover the resulting costs through insurance or increased revenues, its ability to make cash distributions. ~~Other~~ **Risks** Related to our Industrial Operations Business Our Industrial Operations Business relies, or may rely in the future, on its intellectual property and licenses to use others' intellectual property for competitive advantage. If our Industrial Operations Business is unable to protect its intellectual property or obtain or retain licenses to use other' s intellectual property, or if it infringes upon or are alleged to have infringed upon others' intellectual property, it could have a material adverse effect on our Industrial Operations Business ~~L's~~ financial condition, business and results of operations. Our Industrial Operations Business ~~L's~~ success ~~depend~~ **depends** in part on its, or licenses to use others', brand names, proprietary technology and manufacturing techniques. It relies on a combination of patents, trademarks, copyrights, trade secrets, confidentiality procedures and contractual provisions to protect these intellectual property rights. The steps they have taken to protect their intellectual property rights may not prevent third parties from using their intellectual property and other proprietary information without their authorization or independently developing intellectual property and other proprietary information that is similar. In addition, the laws of foreign countries may not protect our businesses' intellectual property rights effectively or to the same extent as the laws of the United States. Stopping unauthorized use of our Industrial Operations Business ~~L's~~ proprietary information and intellectual property and defending claims that it has made unauthorized use of others' proprietary information or intellectual property, may be difficult, time consuming, and costly. The use of intellectual property and other proprietary information by others could reduce or eliminate any competitive advantage our Industrial Operations Business has developed, cause it to lose sales or otherwise harm its business. Our Industrial Operations Business may become involved in legal proceedings and claims in the future either to protect its intellectual property or to defend allegations that it infringed upon others' intellectual property rights. These claims and any resulting litigation could subject our Industrial Operations Business to significant liability for damages and invalidate its property rights. In addition, these lawsuits, regardless of their merits, could be time consuming and expensive to resolve and could divert management' s time and attention. The costs associated with any of these actions could be substantial and could have a material adverse effect on our Industrial Operations Business ~~L's~~ financial condition, business, and results of operations. Our Industrial Operations Business ~~L's~~ inability to develop new products and enhance existing products to meet customer product requirements on a cost competitive basis may negatively impact **its operational** results of operations. The future results of operations of our Industrial Operations Business may be adversely affected if it is unable to continue to develop, manufacture and market products that are reliable, competitive, and meet customers' needs. The markets for matrix printers, associated supplies and software are aggressively competitive, especially with respect to pricing and the introduction of new technologies and products offering improved features and functionality. In addition, the introduction of any significant new and / or disruptive technology or business model by a competitor that substantially changes the markets into which our Industrial Operations Business sells its products or demand for the products it sells could severely impact sales of their products and our results of operations. The impact of competitive activities on the sales volumes or our revenue, or our inability to effectively deal with these competitive issues, could have a material adverse effect on our ability to attract and retain customers and maintain or grow market share. The competitive pressure to develop technology and products and to increase investment in research and development and marketing expenditures also could cause significant changes in the level of the operating expenses of our Industrial Operations Business. Our Industrial Operations is dependent on a limited number of customers to derive a large portion of its revenue, and the loss of one of these customers may adversely affect its financial condition, business and **operational** results of operations. Printronix derives a significant amount of revenue from a concentrated number of retailers, distributors, and manufacturers. Any negative change involving these retailers, distributors, and manufacturers, including industry consolidation, store closings, reduction in purchasing levels or bankruptcies, could negatively impact the sales of Printronix and may have a material adverse effect on our Industrial Operations Business ~~L's~~ results of operations, financial condition, and cash flows. Our Industrial Operations Business has limited suppliers for key product components and services and any interruption in supply could impair its ability to make and deliver its signature products, adversely affecting its business, financial condition, and **operational** results of operations. Outsourced providers and

component suppliers have played, and will continue to play, a key role in Printronix' s manufacturing operations, field installation and support, and many of its transactional and administrative functions, such as information technology, facilities management, and certain elements of its finance organization. These providers and suppliers might suffer financial setbacks, be acquired by third parties, become subject to exclusivity arrangements that preclude further business with our Industrial Operations Business or be unable to meet its requirements or expectation due to independent business decisions, or force majeure events that could interrupt or impair its continued ability to perform as we expect. Although our Industrial Operations Business may attempt to select reputable providers and suppliers and attempt to secure its performance on terms documented in written contracts, it is possible that one or more of these providers or suppliers could fail to perform as we expect, or fail to secure or protect intellectual property rights, and such failure could have an adverse impact on our Industrial Operations Business. In some cases, the requirements of Industrial Operations Business' s business mandate that it obtain certain components and sub- assemblies included in its products from a single supplier or a limited group of suppliers. Where practical, our Industrial Operations Business endeavors to establish alternative sources to mitigate the risk that the failure of any single provider or supplier will adversely affect its business, but this is not feasible in all circumstances. There is therefore a risk that a prolonged inability to obtain certain components or secure key services could impair our Industrial Operations Business' s ability to manage operations, ship products and generate revenues, which could adversely affect its results of operations and damage its customer relationships. Failure of our Industrial Operations Business to manage inventory levels or production capacity may negatively impact its **operational** results of operations. Printronix' s financial performance depends in part upon its ability to successfully forecast the timing and extent of customer demand and reseller demand to manage worldwide distribution and inventory levels. Unexpected fluctuations in customer demand or in reseller inventory levels could disrupt ordering patterns and may adversely affect its financial results, inventory levels and cash flows. In addition, the financial failure or loss of a key customer, reseller or supplier could have a material adverse impact on its financial results. Our Industrial Operations Business must also address production and supply constraints, including product disruptions caused by quality issues, and delays or disruptions in the supply of key components necessary for production. Such delays, disruptions or shortages may result in lost revenue or in additional costs to meet customer demand. Our Industrial Operations Business' s future results of operations and ability to effectively grow or maintain market share may be adversely affected if it is unable to address these issues on a timely basis. Decreased consumption of supplies could negatively impact **the operational** results of operations of certain of our Industrial Operations Business. **Although Printronix is attempting to transition its business mix from lower- margin printer sales to higher- margin consumable products, it may not be successful.** Printronix expects approximately **58-56**. 0 % of its revenue for its fiscal year ending March 31, **2024-2025** will be derived from the sale of supplies. Printronix' s future results of operations may be adversely affected if the consumption of its supplies by end users of its products is lower than expected or declines, if there are declines in pricing, unfavorable mix and / or increased costs. Further, changes of printing behavior driven by adoption of electronic processes and / or use of mobile devices such as tablets and smart phones by businesses could result in a reduction in printing, which could adversely impact consumption of supplies. Due to the international nature of our Industrial Operations Business, changes in a country' s or region' s political or economic conditions or other factors could negatively impact **its operational** results of operations. We expect revenue derived from international sales by our Industrial Operations Business will comprise approximately **63-55**. 0 % of Printronix' s revenue for its fiscal year ending March 31, **2024-2025**. Accordingly, Printronix' s future results could be adversely affected by a variety of factors, including changes in a specific country' s or region' s political or economic conditions; foreign currency exchange rate fluctuations; conflict and war; trade protection measures; local labor regulations; import, export or other licensing requirements; requirements related to making foreign direct investments; and unexpected changes in legal or regulatory requirements. As an example, in addition to indirectly raising transportation costs of the raw materials Printronix uses to manufacture its products, the invasion of Ukraine by Russia in March 2022 required Printronix to adapt its operations and require its customers in the region to pre- pay expenses such that Printronix can avoid accruing accounts receivable. The duration and magnitude of the impacts of Russia' s invasion of Ukraine on Printronix' s business remain uncertain, and we will continue to monitor the situation and adapt our operations accordingly. In addition, changes in tax laws and the ability to repatriate cash accumulated outside the United States in a tax efficient manner may adversely affect Printronix' s financial results, investment flexibility and operations. Moreover, margins on international sales tend to be lower than those on domestic sales, and we believe international operations in emerging geographic markets will be less profitable than operations in the U. S. and European markets, in part, because of the higher investment levels for marketing, selling and distribution required to enter these markets. In many foreign countries, particularly those with developing economies, it is common for local business practices to be prohibited by laws and regulations applicable to Printronix, such as employment laws, fair trade laws or the Foreign Corrupt Practices Act. Although Printronix implements policies and procedures designed to ensure compliance with these laws, its employees, contractors and agents, as well as those business partners to which Printronix outsources certain business operations, may take actions in violation of these policies. Any such violation, even if prohibited by its policies, could have a material adverse effect on our Industrial Operations Business and reputation. Because of the challenges in managing a geographically dispersed workforce, there also may be additional opportunities for employees to commit fraud or personally engage in practices which violate the policies and procedures of our Industrial Operations Business. Risks Related to our **Manufacturing Operations Business Our Manufacturing Operations Business is subject to intense competition. Our Manufacturing Operations Business is subject to intense competition, competing with numerous other manufacturers and distributors of consumer and commercial products, many of which are large and well- established. The combination of market influences and retailer consolidation has created an intensely competitive environment in which our Manufacturing Operations Business' s principal customers continuously evaluate which product suppliers to use, resulting in downward pricing pressures and the need for consumer- meaningful brands, the ongoing introduction and commercialization of innovative new products,**

continuing improvements in category management and customer service, and the maintenance of strong relationships with large, high- volume purchasers. Our Manufacturing Operations Business also faces the risk of changes in the strategy or structure of its major customers, such as overall store and inventory reductions. Our Manufacturing Operations Business' s sales are dependent on purchases by large customers and any significant decline in these purchases or pressure from these customers to reduce prices could have a negative effect on future financial performance. While our Manufacturing Operations Business has long- established relationships with many customers, our Manufacturing Operations Business generally does not have any long- term supply or binding contracts or guarantees of minimum purchases with its largest customers. Purchase commitments by these customers are generally made using individual purchase orders. As a result, these customers may cancel their orders, change purchase quantities from forecast volumes, delay purchases for a number of reasons beyond our Manufacturing Operations Business' s control or change other terms of the business relationship. Significant or numerous cancellations, reductions, delays in purchases or changes in business practices by customers could have a material adverse effect on our Manufacturing Operations Business' s business, results of operations and financial condition. In addition, because many of our Manufacturing Operations Business' s costs are fixed, a reduction in customer demand due to decreased sales to end consumers could have an adverse effect on profitability. Our Manufacturing Operations Business cannot provide any assurance that it can continue to successfully meet the needs of its customers or that customer demand will remain consistent. A substantial decrease in sales to any of its major customers and an inability to adapt to the emergence of alternative channels could have a material adverse effect on the business, results of operations and financial condition. Our Manufacturing Operations Business' s operating results can be adversely affected by inflation, changes in the cost or availability of raw materials, labor, energy, transportation and other necessary supplies and services, as well as the impact of tariffs and changes in a country' s or region' s political or economic conditions. Our Manufacturing Operations Business' s success is dependent, in part, on its continued ability to reduce its exposure to or mitigate the impact of increases in the cost of raw materials, finished goods, energy, transportation and other necessary supplies, while maintaining and improving margins and market share. Significant inflation in the costs of labor, finished goods, raw materials, energy and transportation has negatively impacted, and will likely continue to negatively impact results of operations. There is no assurance that we will be able to fully offset any such cost increases through cost reduction programs or price increases of our products, especially given the competitive environment. If we generally are not able to sufficiently increase our pricing to offset these increased costs or if increased costs and prolonged inflation were to occur, it could materially and adversely affect our business, operating results and profitability. Sustained price increases may lead to declines in volume as competitors may not adjust their prices or customers may decide not to pay the higher prices, which could lead to sales declines and loss of market share. While we seek to project tradeoffs between price increases and volume, our projections may not accurately predict the volume impact of price increases. Conversely, when raw material prices decline, customer demands for lower prices could result in lower sale prices and, to the extent our Manufacturing Operations Business has existing inventory, lower margins. As a result, fluctuations in raw material prices could have a material adverse effect on our Manufacturing Operations Business' s results of operations and financial condition. In addition, some of the products our Manufacturing Operations Business manufactures require particular types of customized materials. Supply shortages for a particular type of material can delay production or cause increases in the cost of manufacturing our Manufacturing Operations Business' s products. Pricing and availability of finished goods, raw materials, energy, transportation and other necessary supplies and services for use in our Manufacturing Operations Business' s businesses can be volatile due to numerous factors beyond its control, including general, domestic and international economic conditions, natural disasters, labor costs, production levels, competition, consumer demand, import duties and tariffs, currency exchange rates, international treaties, and changes in laws, regulations, and related interpretations. Specifically, evolving trade policies could continue to make sourcing products from foreign countries difficult and costly, as our Manufacturing Operations Business sources a significant amount of its products from outside of the United States. Given our Manufacturing Operations Business' s reliance upon non- domestic suppliers, any significant changes to the United States trade policies (and those of other countries in response) may cause a material adverse effect on its ability to source products from other countries or significant changes could significantly increase the costs of obtaining products, which could result in a material adverse effect on our financial results. Any additional tariffs on Chinese- origin goods, or on other certain products imported into the United States or European Union, such as carbon import taxes could increase the cost of some of our products and reduce our margins. Further, the United States has recently imposed tariffs on goods imported from China and certain other countries, and increasingly levied sanctions and export controls on China and other countries. It is currently unclear what additional actions, if any, will be taken by the United States and other countries with respect to the imposition of tariffs on goods imported into the United States. During his campaign and during the first months of his administration, President Trump expressed various intentions to impose tariffs on goods shipped from China, Canada, Mexico and other countries to the United States, including up to 60 % tariffs on goods shipped from China. Our Manufacturing Operations Business operates 9 manufacturing facilities across the United States, Canada, the United Kingdom and China, and we are continuing to evaluate the impact of these announced and other proposed tariffs. Implementation of tariffs by the United States, or the imposition of retaliatory tariffs and other restrictions by other countries, could result in a material increase in the cost of our Manufacturing Operations Business' s products, which may result in the products becoming less attractive relative to products offered by our competitors. These changes, as well as any other changes in social, political, regulatory and economic conditions, or further changes to foreign or domestic laws and policies governing foreign trade (including export, import and sanctions), manufacturing and

development and foreign direct investment in the territories and countries where we or our customers operate could adversely affect our operating results and our business including our ability to repatriate cash accumulated outside the United States in a tax efficient manner. Unfavorable shifts in industry- wide demand for our Manufacturing Operations Business' s products could result in inventory valuation risk. Our Manufacturing Operations Business evaluates its ending inventories for excess quantities, impairment of value, and obsolescence. This evaluation includes analysis of sales levels by product and projections of future demand based upon input received from our customers, sales team, and management. If inventories on hand are in excess of demand or slow moving, appropriate write- downs may be recorded. In addition, our Manufacturing Operations Business writes off inventories that are considered obsolete based upon changes in customer demand, product design changes including those required by new product regulation, that result in existing inventory obsolescence, or new product introductions, which eliminate demand for existing products. Remaining inventory balances are adjusted to approximate net realizable market value. If future demand or market conditions are less favorable than our Manufacturing Operations Business' s estimates, including the volatility of customer demand patterns and the impact of retailer inventory rebalancing in response to soft global demand, write- downs may be required. Our Manufacturing Operations Business cannot be certain that obsolete or excess inventories, which may result from unanticipated changes in the estimated total demand for its products, will not affect it beyond the inventory charges that have already been recorded. Damage to our Manufacturing Operations Business' s reputation or loss of consumer confidence could have an adverse effect on our Manufacturing Operations Business. Maintaining our Manufacturing Operations Business' s strong reputation with consumers, customers and suppliers worldwide is critical to our Manufacturing Operations Business' s continued success. Adverse publicity about our Manufacturing Operations Business, its brands, corporate practices, or any other issue that may be associated with our Manufacturing Operations Business, whether or not deserved, could jeopardize that reputation. Such adverse publicity could come from traditional sources such as government investigations or public or private litigation, but may also arise from negative comments on social media regarding our Manufacturing Operations Business or its brands. Damage to our Manufacturing Operations Business' s reputation or a loss of consumer confidence in our Manufacturing Operations Business' s brands could adversely affect our Manufacturing Operations Business' s business, results of operations, cash flows and financial condition as well as require resources to repair the harm. Circumstances associated with divestitures and brand or product line exits could adversely affect our Manufacturing Operations Business' s results of operations and financial condition. Our Manufacturing Operations Business may decide to sell or discontinue or exit certain brands, businesses or product lines in the future based on an evaluation of performance and strategic fit. Divestitures or discontinuations of businesses or products may result in asset impairments, including those related to goodwill and other intangible assets, and losses upon disposition, both of which could have an adverse effect on our Manufacturing Operations Business' s results of operations and financial condition. In addition, our Manufacturing Operations Business may encounter difficulty in finding buyers or executing alternative exit strategies at acceptable prices and terms and in a timely manner, and prospective buyers may have difficulty obtaining financing. Past and future divestitures and business discontinuations also involve additional risks, including the following: • difficulties in the separation of operations, services, products and personnel; • the retention of certain current or future liabilities in order to induce a buyer to complete a divestiture; • the disruption of our Manufacturing Operations Business' s business; • the potential loss of key employees; and • disputes or litigation with the buyers. Our Manufacturing Operations Business may not be successful in managing these or any other significant risks that it may encounter in divesting, discontinuing or exiting a brand, business or product line, which could have a material adverse effect on its business. Our Manufacturing Operations Business could be subject to product liability claims and involved in product recalls. If our Manufacturing Operations Business' s products cause injury or property damage, we could be subject to product liability claims. The successful assertion of this type of claim could have an adverse effect on our business, results of operations or financial condition. In addition, we may become involved in the recall of a product that is determined to be defective. More generally, a recall involving alternative products, even if we did not sell the recalled products, could adversely affect the perceived quality of products such as our Manufacturing Operations Business' s products, leading to decreased usage of our Manufacturing Operations Business' s products. The expenses of a recall and the damage to our reputation, or the reputation of alternative products generally, could have an adverse effect on our Manufacturing Operations Business' s results of operations or financial condition. Our Manufacturing Operations Business' s indebtedness may limit its financial and operating flexibility, and our Manufacturing Operations Business may incur additional debt, which could increase the associated risks. Our Manufacturing Operations Business has, and is expected to continue to have, substantial indebtedness. Such indebtedness could have adverse consequences for our Manufacturing Operations Business and may: • require our Manufacturing Operations Business to dedicate a large portion of cash flow to pay principal and interest on indebtedness, which will reduce the availability of cash flow to fund working capital, capital expenditures, research and development expenditures and other business activities; • increase vulnerability to general adverse economic and industry conditions; • subject our Manufacturing Operations Business to the risk of credit facility default (including with respect to financial covenant compliance) and the associated consequences; • limit flexibility in planning for, or reacting to, changes in business and the industry in which our Manufacturing Operations Business operates; • restrict our Manufacturing Operations Business' s ability to make strategic acquisitions, dispositions or to exploit business opportunities; • place our Manufacturing Operations Business at a competitive disadvantage compared to our competitors that have less debt; and • limit our Manufacturing Operations Business' s ability to borrow additional funds (even when necessary to maintain adequate liquidity) or dispose of assets. Our Manufacturing Operations Business may incur additional indebtedness. If new debt is added to our Manufacturing Operations

Business' s existing debt levels, the related risks that our Manufacturing Operations Business now faces would increase. Furthermore, our Manufacturing Operations Business' s current indebtedness is subject to variable interest rates. Increases in market interest rates may raise the interest rate on our Manufacturing Operations Business' s variable rate debt and create higher debt service requirements, which could adversely affect our Manufacturing Operations Business' s cash flow and could adversely impact our Manufacturing Operations Business' s results of operations. While our Manufacturing Operations Business may enter into agreements limiting exposure to higher debt service requirements, any such agreements may not offer complete protection from this risk. Risks Related to our

Common Stock Our quarterly performance may be volatile, which in turn may adversely affect the trading price of our common stock. Due to the nature of our intellectual property business and reliance on our operating businesses on intellectual property, legal expenses associated with acquisitions, uncertainties regarding the amount and timing of our receipt of license and other fees from potential infringers, stemming primarily from uncertainties regarding the outcome of enforcement actions, rates of adoption of our patented technologies, the growth rates of our existing licensees, and certain other factors, our revenues may vary significantly from quarter to quarter and period to period, which could make our business difficult to manage, adversely affect our business and results of operations, and cause our quarterly and periodic results to fall below market expectations. As a result of these factors, quarter- to- quarter comparisons of our financial results, especially in the short term, may have limited utility as an indicator of future performance. Significant variation in our quarterly performance, compounded by the thin trading volume of our common stock, could significantly and adversely affect the trading price of our common stock. Future sales of our common stock could reduce the market price of our common stock. In the future, we may issue securities to raise cash for operations and patent portfolio investments or pay for interests in additional subsidiary companies by using shares of our common stock or a combination of cash and shares of our common stock. We may also issue securities convertible into our common stock. Any of these events may dilute stockholders' ownership interests in our company and have an adverse impact on the price of our common stock. Sales of a substantial amount of our common stock in the public market, or the perception that these sales may occur, could reduce the market price of our common stock. This could also impair our ability to raise additional capital through the sale of our securities. Delaware law and our charter documents contain provisions that could discourage or prevent a potential takeover of our company that might otherwise result in our stockholders receiving a premium over the market price of their shares. **The Provisions** provisions of Delaware law and our certificate of incorporation and bylaws could make the acquisition of our company by means of a tender offer, proxy contest or otherwise, and the removal of incumbent officers and directors, more difficult. These provisions include: • Section 203 of the Delaware General Corporation Law, which prohibits a merger with a 15 %- or- greater stockholder, such as a party that has completed a successful tender offer, until three years after that party became a 15 %- or- greater stockholder; • the authorization in our certificate of incorporation of undesignated preferred stock, which could be issued without stockholder approval in a manner designed to prevent or discourage a takeover; and • the general restriction in our certificate of incorporation on any direct or indirect transfers of our common stock if the effect would be to (i) increase the direct or indirect ownership of our common stock by any person or group from less than 4. 899 % to 4. 899 % or more of our common stock; or (ii) increase the percentage of our common stock owned directly or indirectly by a person or group owning or deemed to own 4. 899 % or more of our common stock. Together, these provisions may make the removal of management more difficult and may discourage transactions that could otherwise involve payment of a premium over prevailing market prices for our common stock. In addition, Starboard beneficially owns 61, 123, 595 shares of our common stock as of March 11, 2024, representing approximately 6. 63 % of our common stock, based on 99, 96, 895, 086, 473, 040 shares of common stock issued and outstanding as of such date. As a result, Starboard and its affiliates **can** are able to determine the outcome of all matters requiring stockholder approval and are able to cause or prevent a change of control of our Company or a change in the composition of our Board and could preclude any acquisition of our Company. We do not currently intend to pay dividends on our common stock in the foreseeable future, and consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock. We do not anticipate paying any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares. Starboard' s sale of Company securities may adversely affect the market price of our common stock. **As per the terms of the** On February 14, 2023, we entered into an amended and restated registration rights agreement (the "Registration Rights Agreement") with Starboard and certain of its affiliates, as contemplated by the Recapitalization Agreement (as described in Note 10-12 to the accompanying consolidated financial statements). **The, the** Registration Rights Agreement provides Starboard and such affiliates with rights to require that the Company file a registration statement in certain circumstances. These registrations may facilitate the resale of such securities into the public market, and any such resale would increase the number of shares of our common stock available for public trading. Sales by Starboard of a substantial number of shares of our common stock in the public market, or the perception that such sales might occur, could have a material adverse effect on the price of our common stock. We agreed to certain Governance Provisions with Starboard. Under the Recapitalization Agreement, we agreed with Starboard that for a period from the date of the Recapitalization Agreement until May 12, 2026 (the "Applicable Period"), the Board will include at least two directors that are independent of, and not affiliates (as defined in Rule 144 of the Securities Act of 1933, as amended) of, Starboard, with current Board members Maureen O'Connell and Isaac T. Kohlberg satisfying this initial condition. **We and Starboard also agreed that Katharine Wolanyk will continue to serve as a director of the Company until at least May 12, 2024 (or such earlier date if Ms. Wolanyk is unwilling or unable to serve as a director for any reason or resigns as a director).** Additionally, within five business days following the date of the Recapitalization Agreement, the Company appointed Gavin Molinelli as a Board member and as Chair of the Board. The Company and Starboard **have** also agreed that, following the closing of the Series B Warrants Exercise until **May 12, 2026** the

~~end of the Applicable Period~~, the number of directors serving on the Board will not exceed 10 members.