Risk Factors Comparison 2023-04-28 to 2022-04-28 Form: 10-K

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We operate in a rapidly changing environment that involves a number of risks and uncertainties, some of which are beyond our control. The following list describes several risk factors that are applicable to our business and speaks as of the date of this document. These and other risks could have a material adverse effect on our business, results of operations, financial condition, and cash flows and the trading price of our common stock. The risks and uncertainties described below are not the only ones we face. **Our business is also subject to the risks that affect many other companies, such as employment relations, general economic conditions, geopolitical events and international operations.** Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. Summary of Risk Factors Our business is subject to a number of risks of which you should be aware ~~before making a decision to invest in our common stock~~. Among others, ~~and~~ including those described in **more detail below** ~~this section " Item 1A. Risk Factors "~~, these risks include: • **We face several factors which may have a material adverse effect on our business, results of operations and financial condition, and effect our ability to continue as a going concern: oWe are not cash flow positive and may not have sufficient cash to fund our long term planned operations. As of February 28, 2023, we had $ 41. 9 million of cash and cash equivalents, a decrease of $ 37. 3 million from February 28, 2022. oWe may not be able to access additional funds under our asset- based revolving credit facility due, in part, to certain covenants regarding our fixed charge coverage ratio. oWe may not have sufficient cash flow from our business to fund conversions of the 2025 Convertible Notes in cash, or repay the 2025 Convertible Notes at maturity or repurchase them upon a fundamental change oWe may not have the ability to raise the funds to pay our obligations under our 2025 Convertible Notes, or extend the maturity date of our 2025 Convertible Notes. Any adverse changes in our credit ratings could increase our borrowing costs and could adversely affect our ability to access the debt markets, and any equity financing could affect our stock price and be materially dilutive to existing stockholders. •** Our ~~contract manufacturers and diversified supply chain~~ **asset- based revolving credit facility contains covenant restrictions that may limit our ability to operate** , **including restrictions on our ability to incur additional debt, create liens, or make certain voluntary prepayments of specified debt. •** ~~component~~ **Component** shortages and uncertainty in international trade relations with China may adversely impact us and have a material adverse effect on our business, results of operations and financial condition. **A substantial portion of our products, components and subassemblies are currently procured from foreign suppliers located primarily in Hong Kong, Mainland China, Malaysia, Mexico and other Pacific Rim countries.** • The COVID- 19 **pandemic has disrupted our operations and the continued effects of the** pandemic could have a material adverse impact on our business, results of operations and financial condition. • Because some of our components, assemblies and electronics manufacturing services are purchased from sole source suppliers or require long lead times, our business is subject to unexpected interruptions, which may adversely affect our ability to bring products to market, damage our reputation and adversely affect our results of operations. • Because we depend on a few significant customers for a substantial portion of our revenues and we generally do not have long-term contracts with customers, the loss or significant decline or slowdown of sales to these customers could have an adverse effect on our business, financial condition or results of operations. • Our operations are subject to the effects of a rising rate of inflation. **If the inflation rate continues to impact the costs of our labor and supplies, and the costs of our suppliers, it will adversely affect our operating expenses.** • Because the markets in which we compete are highly competitive and some of our competitors have greater resources than us, we cannot be certain that our products and services will continue to be accepted in the marketplace or will maintain or capture increased market share. • We have been subject to breaches of our information technology systems, and are at risk of future attacks, which could damage our reputation, vendor and customer relationships, and our customers' access to our services. • **If demand for our products and services fluctuates rapidly and unpredictably, it may be difficult to manage our business efficiently, which may result in reduced gross margins and profitability. • If we do not meet product and services introduction deadlines or if we fail to predict carrier and end user customer preferences among the many evolving wireless industry standards, our business could be adversely affected. • Any acquisitions we pursue could disrupt our business and harm our financial condition and results of operations. • Our global operations and continued international expansion expose us to risks and challenges associated with conducting business internationally.** The ongoing military action between Russia and Ukraine ~~could adversely affect our business, financial condition and results of operations. • If demand for our products and services fluctuates rapidly and unpredictably, it may be difficult to manage our business efficiently, which may result in reduced gross margins and profitability. • If we do not meet product and services introduction deadlines or if we fail to predict carrier and end user customer preferences among the many~~ - **may amplify** ~~evolving wireless industry standards, our~~ - **or precipitate these** ~~business could be adversely affected. • Any acquisitions we pursue could disrupt our business and harm our financial condition and results of operations. • Our global operations and continued international expansion expose us to~~ risks and **the other risks described herein** ~~challenges associated with conducting business internationally~~. • Some of our products are subject to mandatory regulatory approvals in the U. S. and other countries that are subject to change, which could make compliance costly and unpredictable. • Ongoing changes to U. S. tax, tariff and import / export regulations may have a negative effect on global economic conditions, financial markets and our business. • We may not be able to adequately protect our intellectual property, and our competitors may be able to offer similar products and services that would harm our competitive position. • We rely on access to third- party patents and intellectual property, and our future results could be materially and adversely affected if we are unable to secure such access in the future. •

We depend to some extent upon wireless networks owned and controlled by others, unproven business models, and emerging wireless carrier models to deliver existing services and to grow. • ~~We may not have the ability to raise the funds necessary to settle conversions of the convertible notes in cash, repay the convertible notes at maturity or repurchase the convertible notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the convertible notes. •~~ The trading price of shares of our common stock may be affected by many factors and the price of shares of our common stock could decline. Risks Related to Our **Cash Flow and Liquidity We are not cash flow positive and may not have sufficient cash to fund our long term planned operations, and we may not be able to access additional funds under our asset- based revolving credit facility due, in part, to certain covenants regarding our fixed charge coverage ratio, all of which could have a material adverse effect on our financial condition and ability to continue as a going concern. Our operations have consumed substantial amounts of cash during Fiscal 2023, and we may continue to incur substantial losses and negative cash flow from operations for the foreseeable future. As of February 28, 2023, we had $ 41. 9 million of cash and cash equivalents, a decrease of $ 37. 3 million from February 28, 2022. Our future performance is subject to economic, operational, financial, competitive and other factors, including the current inflationary environment, supply chain constraints and the impact of uncertain international trade relations. We may not be able to access additional funds under our asset- based revolving credit facility. The credit facility contains certain negative and affirmative covenants, including financial covenants that, among other things, require us to maintain a fixed charge coverage ratio of not less than 1. 10 to 1. 00, measured as of the last day of each fiscal quarter, if our liquidity position (consisting of specified cash balances plus unused availability on the revolving credit facility) falls below $ 40. 0 million on such day. Our ability to comply with the financial covenants in the credit agreement and access our revolving credit facility will be materially affected if our liquidity position falls below $ 40. 0 million. Additional funds may not be available on terms acceptable to us or at all. Specifically, we may be unable to secure additional debt financing without restrictive terms or issue additional equity without impacting our stock price or being materially dilutive to existing stockholders. If we are unable to generate sufficient cash flows or to access or raise adequate funds to finance our forecasted expenditures, we may have to make significant changes or reductions to our operations. We also may have to reduce sales, marketing, customer support or other resources devoted to our existing or new products, or we may need to cease operations. Any of these actions could materially impede our ability to achieve our business objectives and could materially harm our operating results. If our cash, cash equivalents and investments are insufficient to fund our projected operating requirements and we are unable to access additional funds under our credit facility or raise additional capital, it could have a material adverse effect on our business, financial condition and results of operations and prospects and ability to continue as a going concern. We may not have sufficient cash flow from our business to fund conversions of the 2025 Convertible Notes in cash, or repay the 2025 Convertible Notes at maturity or repurchase them upon a fundamental change, which could have a material adverse effect on our financial condition and ability to continue as a going concern. We cannot provide any assurances that we will be able to fund through operations the necessary amount of capital to repay these obligations. We have $ 230. 0 million aggregate principal amount of 2. 00 % convertible senior unsecured notes due in 2025 (" 2025 Convertible Notes " or " Notes ") outstanding. As of February 28, 2023, we had $ 41. 9 million of cash and cash equivalents, a decrease of $ 37. 3 million from February 28, 2022. Upon maturity of the 2025 Convertible Notes, we may be required to make cash payments in repayment of the notes. In addition, upon conversion of the 2025 Convertible Notes, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our common stock. Furthermore, holders of the 2025 Convertible Notes will have the right to require us to repurchase all or a portion of their 2025 Convertible Notes upon the occurrence of a fundamental change at a repurchase price equal to the principal amount of the 2025 Convertible Notes to be repurchased, plus accrued and unpaid interest, if any. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the 2025 Convertible Notes, to pay cash upon maturity of the 2025 Convertible Notes or to pay any cash amounts due upon conversion of the 2025 Convertible Notes. Our ability to pay cash upon conversion of or at maturity of the 2025 Convertible Notes depends on our future performance, which is subject to economic, financial, competitive and other factors including the current inflationary environment, supply chain constraints and the uncertainties regarding international trade relations due in part to the armed conflict in Ukraine. Our business may not generate cash flow from operations in the future sufficient to service our debt and to fund capital expenditures or acquisitions. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive, which could have a material adverse effect on our financial condition and ability to continue as a going concern. Our ability to repurchase or to pay cash upon conversions or at maturity of the 2025 Convertible Notes may be limited by law, regulatory authority or agreements governing our future indebtedness. Our failure to repurchase the notes at a time when the repurchase is required by the applicable indenture or to pay any cash payable on future conversions of the 2025 Convertible Notes as required by the applicable indenture would constitute a default under the applicable indenture. A default under the indenture governing the 2025 Convertible Notes or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the notes. Holders may convert their 2025 Convertible Notes into cash, shares of our common stock or a combination of cash and shares of common stock, at our election. The current conversion rate of the 2025 Convertible Notes is 32. 5256 shares of common stock per $ 1, 000 principal amount of the convertible notes, which is equivalent to an initial conversion price of approximately $ 30. 75 per share of common stock. The conversion rate is subject to customary adjustments. Holders may convert their 2025 Convertible Notes at their**

option upon the occurrence of certain events, as defined in the indenture governing the 2025 Convertible Notes. We may not have the ability to raise the funds required to pay our obligations under our 2025 Convertible Notes, or extend the maturity date of the 2025 Convertible Notes, and any adverse changes in our credit ratings could increase our borrowing costs and could adversely affect our ability to access the debt markets, all of which could have a material adverse effect on our financial condition and ability to continue as a going concern. We may not be able to raise sufficient capital to repay our 2025 Convertible Notes at maturity. If we are unable to pay these obligations or otherwise unable to extend the maturity dates or refinance these obligations, we would be in default. We cannot provide any assurances that we will be able to fund through operations the necessary amount of capital to repay these obligations, or that we will be able to extend the maturity dates or otherwise refinance these obligations, which could have a material adverse effect on our financial condition and ability to continue as a going concern. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. Our 2025 Convertible Notes are rated by certain major credit rating agencies. These credit ratings impact our cost of borrowing and our ability to access the capital markets and are based on our financial performance and certain financial metrics including debt levels. There can be no assurance that we will be able to maintain our current credit ratings. Any downgrade of our credit rating by any of the major credit rating agencies could result in increased borrowing costs and could adversely affect our ability to access the debt markets to refinance our existing debt or finance future debt. Factors that we cannot control, such as disruption of the financial markets, including concerns regarding fiscal matters in the U. S. and other geographic areas, could also impair our ability to raise funding. Our asset- based revolving credit facility contains covenant restrictions that may limit our ability to operate our business. Our senior asset- based revolving credit facility contains, and any of our other future debt agreements may contain, certain affirmative and negative covenants, including covenants that restrict our ability to, among other things, incur additional debt or issue guarantees, create liens, repurchase stock, or make other restricted payments, and make certain voluntary prepayments of specified debt. As a result of these covenants, our ability to respond to changes in business and economic conditions and engage in beneficial transactions, including to obtain additional financing as needed, may be restricted. Our revolving credit facility also contains a financial covenant that require us to maintain a fixed charge coverage ratio of not less than 1. 10 to 1. 00, measured as of the last day of each fiscal quarter if our liquidity position, consisting of specified cash balances plus unused availability on the revolving credit facility, falls below $ 40. 0 million on such day. Additionally, our revolving credit facility contains a cash dominion trigger whereby PNC Bank may direct domestic cash balances and receipts to pay down borrowings under the revolving credit facility should our liquidity position, consisting of specified cash balances plus unused availability on the revolving credit facility, fall below $ 25. 0 million at the end of any month. As of February 28, 2023, we were in compliance with our covenants under the revolving credit facility. However, if we are unable to comply with our covenants under the revolving credit facility in the future, our availability of cash resources may be reduced and our business may be adversely affected. Our ability to comply with these conditions will be materially affected if our liquidity position falls below $ 40. 0 million. Additionally, our ability to comply with these covenants may be affected by events and conditions beyond our control, including the factors discussed above. A breach of any of these covenants could result in a default under the credit agreement and related credit documents, which could cause all of the outstanding indebtedness under our revolving credit facility to become immediately due and payable. If any of our debt is accelerated, we may not have sufficient funds available to repay it. Risks Related to Our Business Operations and Financial Condition **A substantial portion of our products, components and subassemblies are currently procured from foreign suppliers located primarily in Hong Kong, mainland China, Malaysia, Mexico and other Pacific Rim countries.** We accelerated our supply chain diversification program to transition our manufacturing to tier one global contract manufacturers with facilities outside of China. This program was initiated against the backdrop of the escalation of trade tensions between the U. S. and China. This transition contributed to various supply disruptions, including component shortages, beginning in the third and fourth quarter of ~~fiscal~~ **Fiscal** 2020. Additionally, during ~~fiscal~~ **Fiscal** 2022 **and Fiscal 2023** , we experienced supply shortages as a result of global supply imbalances initially driven by the global pandemic, which have negatively impacted all parts of our business. Although we are taking steps to address these matters, the related operational challenges and supply chain disruptions may persist for some time. ~~In March 2020, the World Health Organization declared COVID- 19 a pandemic. The outbreak has spread globally, resulting in the implementation of significant governmental measures, including lockdowns, closures, quarantines and travel bans, each intended to control the spread of the virus.~~ The COVID- 19 pandemic **, including the continued spread of new variants and the measures taken to limit its spread** has ~~caused severe~~ **had, and other pandemics in the future could have, adverse repercussions across** global ~~disruptions which have created significant volatility, uncertainty and economic~~ **economies and** ~~disruption. Uncertainties regarding the economic impact of COVID- 19 are likely to result in sustained market turmoil, which could also negatively impact our business,~~ financial **markets** ~~condition and cash flows. This pandemic could negatively affect our ability to sell- through our backlog. Our ability to manage normal commercial relationships with our suppliers~~ , ~~contract manufacturers, and customers may suffer. Our customers could shift purchases to lower- priced or other perceived value offerings during the pandemic- caused economic downturn~~ as **well as** ~~a result of various factors, including workforce reductions, reduced access to credit, and changes in federal economic policy. In particular, customers may become more conservative in response to these conditions and seek to reduce their purchases and inventories. Our results of operations depend upon, among other things, our ability to maintain and increase sales volume with our existing customers, our ability to attract new customers, and the financial condition of our customers. Decreases in demand for our products and solutions without a corresponding decrease in costs would put downward pressure~~ on **us** ~~our margins and would negatively impact our financial results. Governmental organizations, such as the U. S. Centers for Disease Control and Prevention and state and local governments, have recommended and / or imposed increased community- based interventions, including event cancellations,~~

~~social distancing measures, and restrictions on gatherings~~ . Through ~~fiscal~~ **Fiscal** ~~2021~~ **2022** , our revenues were negatively impacted by COVID- 19 as various small- to- medium customers postponed their capital expenditure due to the pandemic and related macro- economic uncertainties. ~~Although our business was initially negatively impacted by the COVID- 19 pandemic in the first half of fiscal 2021, we resumed device installation and activation services soon thereafter.~~ We have experienced supply shortages as a result of global supply imbalances driven by the global pandemic. These global supply imbalances have negatively impacted ~~all parts of~~ our business during ~~fiscal~~ **Fiscal** ~~2022~~ **2023** . It is difficult to predict the extent to which the pandemic will continue to impact our future business or operating results, which are highly dependent on uncertain future developments, including the severity of the continuing pandemic, the actions taken or to be taken by governments and private businesses in relation to its containment and the resolution of supply chain issues and supply shortages. Because our business is dependent on telematics product sales, device installations and related subscription- based services, the ultimate effect of COVID- 19 and the current supply shortages may not be fully reflected in our operating results until future periods. To the extent that COVID- 19 adversely affects our business, results of operations, financial condition and cash flows, it may also heighten many of the risk factors described in this " Risk Factors " section. We operate an outsourced manufacturing business model that utilizes contract manufacturers. We depend on a limited number of contract manufacturers to allocate sufficient manufacturing capacity to meet our needs, to produce products of acceptable quality at acceptable yields, and to deliver those products to us on a timely basis. Some of our key components are complex to manufacture and have long lead times. In the event of a reduction or interruption of supply, or degradation in quality, it could take up to six months to begin receiving adequate supplies from alternative suppliers, if any. As a result, product shipments could be delayed and revenues and profitability could suffer. Instances of continued supply chain disruptions and delays, as well as continued heightened inflation, could lead to inefficiencies and increased costs that could negatively impact our performance and our results of operations. In such circumstances, we may be unable to meet our customer demand and may fail to meet our contractual obligations. This could result in the payment of significant damages by us to our customers, a decline in net revenue and a loss of market share as our customers could choose to purchase competing products and services, all of which could adversely affect our business, financial condition and results of operations. Any substantial disruption in our contract manufacturers' supply as a result of a pandemic, natural disaster, trade wars, political unrest, economic instability, equipment failure, **inflationary pressures,** component shortage or other cause, could materially harm our business, customer relationships and results of operations. Because we depend on a few significant customers for a substantial portion of our revenues ~~and we generally do not have long- term contracts with customers~~ , the loss of or significant decline or slowdown of sales to these customers could have an adverse effect on our business, financial condition or results of operations. Our revenues depend on a small number of significant customers and some of them represented more than 10 % of our total revenues in fiscal year **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ (see Note ~~4~~ **3** to our consolidated financial statements). They are also expected to represent a substantial portion of our revenues in the near future. As a result, the loss of any one of these customers, or a decline or slowdown in purchases from any of these customers, could have a material adverse effect on our business, financial condition and results of operations. In addition, because service revenue depends either partially or entirely on the usage levels of data transmission by our customers and end users, the decline or slowdown in the growth of usage patterns of these customers, which has and could continue to occur at any time and with or without a reduction in the number of our subscriber base could have a material adverse effect on our business, financial condition and ~~results of operations. We generally do not have long- term contracts with our customers. As a result, our agreements with our customers generally do not provide us with any assurance of future sales. These customers can cease purchasing products and services from us at any time without penalty, are free to purchase products and services from our competitors, may expose us to competitive price pressure on each order and are not required to make minimum purchases. Any of these actions taken by our customers could have a material adverse effect on our business, financial condition or~~ results of operations. The United States has recently experienced historically high levels of inflation. According to the U. S. Department of Labor, the annual inflation rate for the United States was approximately ~~7~~ **6** . ~~0~~ **5** % for the 12 months ended December 31, ~~2021~~ **2022** . If the inflation rate continues to increase **and** ~~, such as increases~~ **increase our** ~~in the~~ costs of labor and supplies, it will affect our **operating** expenses. **The current inflationary environment related to increased aggregate demand, supply chain constraints and the effects from the armed conflict in Ukraine (including the effects of the sanctions that were implemented in response to the conflict and the resulting impacts on the commodity market and supply chains) have also increased our operating expenses and may continue to affect our operating expenses. Our operational costs, including the cost of supplies, labor, manufacturing and our other operational costs are subject to market conditions and are being adversely affected by inflationary pressures. Economic conditions may also adversely affect the ability of our customers and suppliers to obtain the liquidity required to buy inventory or raw materials and to perform their obligations under agreements with us, which could disrupt our operations.** Additionally, **rising interest rates could impact financing availability and** the **cost of refinancing our existing debt, and exchange rate fluctuations. The** United States is experiencing **a** ~~an acute~~ workforce shortage, which in turn, has created a ~~hyper-~~ competitive wage environment that may increase our operating costs. To the extent inflation results in rising interest rates and has other adverse effects on the market, it may adversely affect our consolidated financial condition and results of operations **. To the extent periods of high inflation are prolonged, these results may be exacerbated** . The markets for our products and services are intensely competitive and characterized by rapid technological change, evolving standards, short product life cycles, and price erosion. Given the highly competitive environment in which we operate, we cannot be sure that any competitive advantages currently enjoyed by our products and services will be sufficient to establish and sustain our products and services in the markets we serve. Any increase in price or other competition could result in erosion of our market share, to the extent we have obtained market share, and could have a negative impact on our financial condition and results of operations. We cannot provide assurance that we will have the financial resources, technical expertise or marketing and support capabilities to compete successfully. We expect competition to intensify in the future with the introduction of new technologies and market entrants and with the possible consolidation of competitors. Information about our competitors is included in Part I, Item 1 of this Annual Report on Form 10- K under the heading " COMPETITION ". Our cost structure is based in part on our expectations for future demand. Many costs, particularly those relating to capital equipment and manufacturing overhead, are largely fixed. Rapid and unpredictable shifts in demand for our products and services may make it difficult to plan production capacity and business operations efficiently. If demand is significantly below expectations, we may be unable to rapidly reduce these fixed costs, which can diminish gross margins and cause losses. A sudden downturn may also leave us with excess inventory, which may be rendered obsolete if products and services evolve during the downturn and demand shifts to newer products and services. Our ability to reduce costs and expenses may be further constrained because we must continue to invest in research and development to maintain our competitive position and to maintain service and support for our existing customer base. Conversely, in the event of a sudden upturn, we may incur significant costs to rapidly expedite delivery of components, procure scarce components and outsource additional manufacturing processes. These costs could reduce our gross margins and overall profitability. Any of these results could adversely affect our business, financial condition or results of operations. We may be unable to successfully implement...... legacy cash expenditures or financial loss. As part of our business strategy, we continually review acquisition opportunities that we believe would be advantageous or complementary to the development of our business ~~. In the first quarter of fiscal year 2020, we acquired LoJack Mexico and Synovia, and we may acquire additional businesses, assets, or technologies in the future~~ . If we make any acquisitions, we could take any or all of the following actions, any one of which could adversely affect our business, financial condition, results of operations or share price: • use a substantial portion of our available cash; • require a significant devotion of management' s time and resources in the pursuit or consummation of any acquisition; • incur substantial debt, which may not be available to us on favorable terms and may adversely affect our liquidity; • issue equity or equity- based securities that would dilute existing stockholders' ownership percentage; • assume contingent liabilities; and • take substantial charges in connection with acquired assets. Acquisitions also entail numerous other risks, including, without limitation: difficulties in assimilating acquired operations, products, technologies and personnel; unanticipated costs; diversion of management' s attention from existing operations; risks of entering markets in which we have limited or no prior experience; potential loss of key employees from either our existing business or the acquired organization; and a negative effect on our existing relationships with suppliers and customers. Acquisitions may result in substantial accounting charges for restructuring and other expenses, amortization of purchased technology and intangible assets and stock- based compensation expense, any of which could materially and adversely affect our operating results. We may not be able to realize the anticipated benefits of or successfully integrate with our existing business the businesses, products, technologies or personnel that we acquire, and our failure to do so could harm our business and operating results. Our industry is being affected by the trend toward consolidation and the creation of strategic relationships. If we are unable to successfully adapt to this rapidly changing environment, we could suffer a reduction in the volume of business with our customers and suppliers, or we could lose customers or suppliers entirely, which could materially and adversely affect our financial condition and operating results. We **may be unable to successfully implement a disposition or wind- down of** business activities that no longer fit our strategic plan ~~.Effective March 15,2021,we sold certain assets and transferred certain liabilities related to our LoJack North America business~~ .We may engage in future dispositions or wind- downs of certain businesses.Key risks associated with exiting a business include:• our ability to price a sale transaction appropriately and otherwise negotiate acceptable terms;• our ability to identify and implement key customer,technology systems,and other transition actions to avoid or minimize negative effects on retained business activities;• our ability to assess and manage any loss of synergies that the exited business activity had with our retained business activities;• our ability to replace legacy earnings from the exited business or activity with new revenues;and • our ability to manage capital,liquidity,and other challenges that may arise if an exit results in **significant legacy cash expenditures or financial loss.We** have been subject to breaches of our information technology systems, which could damage our reputation, vendor, and customer relationships, and our customers' access to our services. Our presence in the Internet of Things (" IoT ") industry with offerings of telematics products and services, including vehicle telematics, could also increase our exposure to potential costs and expenses and reputational harm in the event of cyber- attacks impacting these products or services. Our business operations require that we use **, collect, process, transmit** and store **, within our own systems and systems of third- party providers,** sensitive data, including intellectual property, **our** proprietary business information and **that of our customers, suppliers and business partners, as well as** personally identifiable information ~~, in our secure data centers and on our networks~~ . We face a number of threats to our data centers and networks in the form of unauthorized access, security breaches and other system disruptions. It is critical to our business strategy that our infrastructure remains secure and is perceived by customers and partners to be secure. Despite our security measures, our information technology **(" IT ")** systems have been and will continue to be vulnerable to attacks by hackers or other disruptive problems ~~. We experience cyber- attacks and other security incidents of varying degrees from time to time, and we incur significant costs in protecting against or remediating such incidents. For example, we detected and interrupted a ransomware attack on a portion of our network in February 2021, which led to the theft of company data and notifications to affected third parties, and we experienced a second attempt to hack our network in March 2021. In response, we retained outside experts to advise on the incidents and to make recommendations for security improvements. While we have not experienced any material loss or expense relating to these cyber- attacks or other information security breaches, there can be no assurance that we will not suffer additional attacks or incur more serious financial consequences or expense in the future~~ . In addition, we are subject to a variety of laws and regulations in the United States and abroad relating to cybersecurity and data protection. As a result, affected users or government authorities could initiate legal or regulatory actions against us in connection with any actual or perceived security breaches or improper access to or disclosure of data, which has occurred in the past and which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices **. Our measures to prevent, detect and mitigate these threats may**

not be successful in preventing a security incident or data breach or limiting the effects of such a breach. This is particularly so because attack methodologies change frequently or are not recognized until launched, and we also may be unable to investigate or remediate incidents because attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence . Any security breach may compromise information used or stored on our networks and may result in significant data losses or theft of our customers' or our business partners' intellectual property, proprietary business information or personally identifiable information. A cybersecurity breach could negatively affect our reputation by adversely affecting the market' s perception of the security or reliability of our products or services. In addition, a cyber- attack could result in other negative consequences, including remediation costs, disruption of internal operations, increased cybersecurity protection costs, lost revenues or litigation, which could have a material adverse effect on our business, results of operations and financial condition. Repurposing of satellite spectrum by adjacent operators of L- band spectrum for terrestrial services could interfere with our GPS IoT products and services. In 2011, the U. S. Federal Communications Commission (" FCC ") granted Ligado Networks (then known as Lightsquared) (" Ligado ") a waiver to convert its L- band satellite spectrum to terrestrial use, including a 10 MHz band close to the spectrum that we use for all of our Global Positioning System (" GPS ") products and services. That waiver was subsequently suspended in 2012 due to concerns about potential interference to GPS operations. Ligado sought another waiver in 2015, that it then amended in 2018, to modify its L- band mobile satellite service network with a terrestrial- only proposal designed to address GPS industry- wide concerns. In April 2020, the FCC granted Ligado' s waiver request. We oppose this waiver grant out of concern for the interference that we believe Ligado' s proposed operations would cause to our IoT GPS devices. Ligado' s operations pursuant to the waiver would result in terrestrial use of L- band spectrum, and such operations may interfere with, and harmfully affect, the performance of the Global Navigation Satellite System (" GNSS ") receivers in our IoT GPS devices that operate in the 1559- 1610MHz band, which is adjacent to, and within range of, the L- band downlink allocation for GPS operations. Ligado' s L- band terrestrial operations could impact our operations and impose costs on us to retrofit or replace affected GNSS receivers, which could have a material adverse effect on our business, results of operations, and financial condition. Our business is subject to many factors that could cause our quarterly or annual operating results to fluctuate and our stock price to be volatile. Our quarterly and annual operating results have fluctuated in the past and may fluctuate significantly in the future due to a variety of factors, many of which are outside of our control. A majority of our product orders are shipped in the final month of the quarter and a significant amount in the last two weeks of the quarter. Some of the other factors that could affect our quarterly or annual operating results include: • the timing and amount, or cancellation or rescheduling, of orders for our products or services; • our ability to develop, introduce, ship and support new products, services and enhancements, and manage product and services transitions; • announcements of new product and service introductions and reductions in the price of products and services offered by our competitors; • fluctuations in the cost of telematics devices due to supply shortages or other market factors; • our ability to achieve cost reductions; • our ability to obtain sufficient supplies of sole or limited source components for our products; • our ability to achieve and maintain production volumes and quality levels for our products; • our ability to maintain the volume of products and services sold and the mix of distribution channels through which they are sold; • the loss of any one of our major customers or a significant reduction in orders from those customers; • increased competition, particularly from larger, better capitalized competitors; • fluctuations in demand for our products and services; and • changes in telecommunications and wireless market conditions specifically and economic conditions generally, including as a result of a pandemic or other catastrophic event. Due in part to factors such as the timing of product release dates, purchase orders and product availability, significant volume shipments of products could occur close to the end of a fiscal quarter. Failure to ship products by the end of a quarter may adversely affect operating results in such quarter. In the future, our customers may delay delivery schedules or cancel their orders without notice. Due to these and other factors, our quarterly revenue, expenses and results of operations could vary significantly in the future, and period- to- period comparisons should not be relied upon as indications of future performance. In the past, we have experienced design and manufacturing difficulties that have delayed the development, introduction or marketing of new products, services and enhancements and which caused us to incur unexpected expenses and lost revenue. In addition, some of our existing customers have conditioned their future purchases of our products and services on the addition of new features. In the past, we have experienced delays in introducing some new product features. Furthermore, in order to compete in some markets, we will have to develop different versions of existing products and services that comply with diverse, new or varying governmental regulations and evolving wireless industry standards in each market. In our industry, it is critical to our success that we accurately anticipate evolving wireless technology standards and that our products and services comply with these standards in relevant respects. We are currently focused on engineering and manufacturing products and services that comply with several different wireless standards. Any failure of our products and services to comply with any one of these or future applicable standards could prevent or delay their introduction and require costly and time- consuming engineering changes. Additionally, if an insufficient number of wireless operators or subscribers adopt the standards to which we engineer our products and services, then sales of our new products and services designed to those standards could be materially harmed. Our inability to develop new products, services, product features on a timely basis, or the failure of new products, services or features to align with evolving wireless standards and achieve market acceptance, could adversely affect our business. Disruptions in global credit and financial markets could materially and adversely affect our business and results of operations. There is significant uncertainty about the stability of global credit and financial markets. Credit market dislocations could cause interest rates and the cost of borrowing to **continue to** rise or reduce the availability of credit, which could negatively affect customer demand for our products and services if they responded to such credit market dislocations by suspending, delaying or reducing their capital expenditures. Moreover, since we currently generate more than 25 % of our revenues outside the U. S., fluctuations in foreign currency exchange rates can have an impact on demand for our products and services for which the sales are generally denominated in U. S. dollars. We may be subject to product liability, warranty and recall claims that may increase the costs of doing business and adversely affect our business, financial condition and results of operations. We are subject to a risk of product liability or warranty claims if our products or services actually or allegedly fail to perform as expected or the use of our products or services results, or is alleged to result, in bodily injury and / or property damage. While we maintain what we believe to be reasonable limits of insurance coverage to appropriately respond to such liability exposures, large product liability claims, if made, could exceed our insurance coverage limits and insurance may not continue to be available on commercially acceptable terms, if at all. There can be no assurance that we will not incur significant costs to defend these claims or that we will not experience any product liability losses in the future. In addition, if any of our designed products are, or are alleged to be, defective, we may be required to participate in recalls and exchanges of such products. The future cost associated with providing product and service warranties and / or bearing the cost of repair or replacement of our products, including those that enable our service offerings, could exceed our historical experience and have a material adverse effect on our business, financial condition and results of operations. Our inability to identify the origin of conflict minerals in our products could have a material adverse effect on our business. Many of our product lines include tantalum, tungsten, tin, gold and other materials that are considered to be " conflict minerals " under the SEC' s rules. Those rules require public reporting companies to provide disclosure regarding the use of conflict minerals sourced from the Democratic Republic of the Congo and adjoining countries in the manufacture of products. Those rules, or similar rules that may be adopted in other jurisdictions, could adversely affect our costs, the availability of minerals used in our products and our relationships with customers and suppliers. We may experience significant disruptions in our operations resulting from our enterprise resource planning system initiatives. We depend on our **IT** ~~information technology~~ systems for the efficient functioning of our global business, including accounting, billing, data storage, purchasing and inventory management. In order to integrate and enhance our global operations, we initiated the phased implementation of an enterprise resource planning (" ERP ") system across our global operating locations to support our operations. The implementation of this ERP system required, and will continue to require, the investment of human and financial resources. We have incurred, and expect to incur, additional expenses as we continue to implement, enhance and develop our ERP system. As a result of our ERP initiatives, we may encounter difficulties in operating our business, which could disrupt our operations, including our ability to timely ship and track customer orders, determine inventory requirements, manage our supply chain, manage customer billing and adequately service our customers. If we experience significant disruptions resulting from our ERP initiatives, our business and operations could be disrupted, including our ability to report accurate and timely financial results. Accordingly, such events may disrupt or reduce the efficiency of our global operations and have a material adverse effect on our operating results and cash flows. Because we currently sell, and we intend to grow the sales of, certain of our products and services in countries other than the U. S., we are subject to different regulatory regimes. We may not be able to develop products and services that comply with the standards of different countries, which could result in our inability to sell our products and services and further, we may be subject to political, economic, and other conditions affecting such countries, which could result in reduced sales of our products and services and which could adversely affect our business. If our sales are to grow in the longer term, we believe we must grow our international business. Many countries require communications equipment used in their country to comply with unique regulations, including safety regulations, radio frequency allocation schemes and standards. If we cannot develop products that work with different standards, we will be unable to sell our products and services in those locations. If compliance proves to be more expensive or time consuming than we anticipate, our business would be adversely affected. Some countries have not completed their radio frequency allocation process, and therefore, we do not know the standards with which we would be required to comply. Furthermore, standards and regulatory requirements are subject to change. If we fail to anticipate or comply with these new standards, our business and results of operations will be adversely affected. Sales to customers from continuing operations outside the U. S. accounted for **37 %,** 33 % ~~,~~ **and** 35 ~~% and 31~~ % of our total sales for fiscal years ended February 28 ~~/ 29~~ **, 2023** , 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. Assuming that we continue to sell our products and services to foreign customers, which is our expectation, we will be subject to the political, economic and other conditions affecting countries or jurisdictions other than the U. S., including those in Latin America, Africa, the Middle East, Europe and Asia. Any interruption or curtailment of trade between the countries in which we operate and our present trading partners, changes in exchange rates, significant shift in U. S. trade policy toward these countries, or significant downturn in the political, economic or financial condition of these countries, could cause demand for and sales of our products and services to decrease, or subject us to increased regulation including future import and export restrictions, any of which could adversely affect our business. Additionally, a substantial portion of our products, components and subassemblies are currently procured from foreign suppliers located primarily in Hong Kong, ~~mainland~~ **Mainland** China, Malaysia, Mexico and other Pacific Rim countries. Any significant shift in U. S. trade policy toward these countries or a significant downturn in the political, economic or financial condition of these countries could cause disruption of our supply chain or otherwise disrupt operations, which could adversely affect our business. Risks Related to Regulatory and Legal Matters We face several risks inherent in conducting business internationally, including compliance with international and U. S. laws and regulations that apply to our international operations. These laws and regulations include data privacy requirements, labor relations laws, tax laws, competition regulations, import and trade restrictions, economic sanctions, export requirements, U. S. laws such as the Foreign Corrupt Practices Act, the UK Bribery Act 2010 and other local laws that prohibit payments to governmental officials or certain payments or remunerations to customers. Given the high level of complexity of these laws there is a risk that some provisions may be breached by us, for example through fraudulent or negligent behavior of individual employees, our failure to comply with certain formal documentation requirements, or otherwise. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs, or prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products or services in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business or operating results. Global developments (including those related to the United Kingdom' s withdrawal from the European Union or other similar global regulations), or the perception that additional developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. Given our recent efforts to expand our business throughout Europe, these developments could affect our relationships with our existing and future customers, suppliers and employees. Any of these factors could have a material adverse effect on our business, financial condition and results of operations. Some of our products are subject to certain mandatory regulatory approvals in the U. S. and other countries in which it operates. In the U. S., the FCC regulates many aspects of communication devices, including radiation of electromagnetic energy, biological safety and rules for devices to be connected to the telecommunication networks. Although we have obtained the required FCC and various country approvals for all products and services we currently sell, there can be no assurance that such approvals can be obtained for future products and services on a timely basis, or at all. In addition, such regulatory requirements may change or we may not in the future be able to obtain all necessary approvals from countries other than the U. S. in which we currently sell our products and services or in which we may sell our products and services in the future. We import certain products and components from suppliers in China. In the past, the Office of the U. S. Trade Representative enacted tariffs on imports into the U. S. from China, resulting in ongoing trade tensions. Although some of the products and components we import are affected by the tariffs, at this time, we do not expect these tariffs to have a material impact on our business, financial condition or results of operations. However, it is possible that further tariffs may be imposed on imports of our products, or that our business will be impacted by retaliatory trade measures taken by China or other countries in response to existing or future tariffs, causing us to raise prices or make changes to our operations, any of which could have a negative impact on our revenue or operating results. Evolving regulation and changes in applicable laws relating to data privacy and the Internet may increase our expenditures related to compliance efforts or otherwise limit the solutions we can offer, which may harm our business and adversely affect our financial condition. As Internet commerce continues to evolve, increased regulation by federal, state or foreign agencies becomes more likely. We are particularly sensitive to these risks because the Internet is a critical component of our SaaS business model. In addition, taxation of services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may be imposed. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet- based services, which could harm our business. Our products and solutions enable us to collect, manage and store a wide range of data related to fleet management such as vehicle location and fuel usage, speed and mileage and, in the case of our field service application, customer information, job data, schedule, invoice and other information. A valuable component of our solutions is our ability to analyze this data to present the user with actionable business intelligence. We obtain our data from a variety of sources, including our customers and third- party providers. The U. S. and various state governments have adopted or proposed limitations on the collection, distribution and use of personal information (including the California Consumer Privacy Act of 2018). Several foreign jurisdictions, including the European Union and the United Kingdom, have adopted legislation (including directives or regulations) that increase or change the requirements governing data collection and storage in these jurisdictions. Proposed or new legislation and regulations could also significantly affect our business. There currently are a number of proposals pending before federal, state, and foreign legislative and regulatory bodies. In addition, the European Union General Data Protection Regulation (" GDPR ") took effect in May 2018. The GDPR includes operational requirements for companies that receive or process personal data of residents of the European Union. For example, we may be required to obtain consent and / or offer new controls to existing and new users in Europe before processing data. In addition, the GDPR includes significant penalties for non- compliance **. Furthermore, other international jurisdictions, including Singapore, South Korea, China, Brazil, Mexico and Australia, have also implemented laws relating to data privacy and protection** . Violations of these laws, or allegations of such violations, could subject us to litigation, regulatory investigations, cash and non- cash penalties for noncompliance, disrupt our operations, involve significant management distraction and result in a material adverse effect on our business, financial condition and results of operations. Moreover, if future laws and regulations limit our customers' ability to use and share this data, or our ability to store, process and share data with our customers over the Internet, demand for our solutions could decrease, our costs could increase, and our results of operations and financial condition could be harmed. Risks Related to Our Intellectual Property Our ability to succeed in wireless data communications markets may depend, in large part, upon our intellectual property for some of our wireless technologies. We currently rely primarily on patents, trademark and trade secret laws, confidentiality procedures and contractual provisions to establish and protect our intellectual property. However, these mechanisms provide us with only limited protection. We currently hold almost 300 patents worldwide. As part of our confidentiality procedures, we enter into non- disclosure and invention assignment agreements with all employees, including officers, managers and engineers. Despite these precautions, third parties could copy or otherwise obtain and use our technology without authorization, or develop similar technology independently. Furthermore, effective protection of intellectual property rights is unavailable or limited in some foreign countries. The protection of our intellectual property rights may not provide us with any legal remedy should our competitors independently develop similar technology, duplicate our products and services, or design around any intellectual property rights we hold. Many of our products and services are designed to include third- party intellectual property, and in the future, we may need to seek or renew licenses relating to such intellectual property. Although we believe that, based on past experience and industry practice, such licenses generally can be obtained on reasonable terms, there is no assurance that the necessary licenses would be available on acceptable terms or at all. Some licenses we obtain may be nonexclusive and, therefore, our competitors may have access to the same technology licensed to us. If we fail to obtain a required license or are unable to design around a patent where we do not hold a license, we may be unable to sell some of our hardware solutions and services, and there can be no assurance that we would be able to design and incorporate alternative technologies, without a material adverse effect on our business, financial condition, and results of operations. Our competitors have or may obtain patents that could restrict our ability to offer our products, software and services, or subject us to additional costs, which could impede our ability to offer our products, software and services and otherwise adversely affect us. In addition, third parties may claim that we infringe their intellectual property and proprietary rights and may prevent us from manufacturing and selling some of our products and services and subject us to litigation over intellectual property rights or other commercial issues. Several of our competitors have obtained and can be expected to obtain patents that cover products, software and services directly or indirectly related to those offered by us. There can be no assurance that we are aware of all existing patents held by our competitors or other third parties containing claims that may pose a risk of our infringement on such claims by our products, software and services. In addition, patent applications in the U. S. may be confidential until a patent is issued and, accordingly, we cannot evaluate the extent to which our hardware, software and services solutions may infringe on future patent rights held by others. Even with technology that we develop independently, a third party may claim that we are using inventions claimed by their patents and may initiate litigation to stop us from engaging in our normal operations and activities, such as engineering and development and the sale of any of our products, software and services. Furthermore, because of rapid technological changes in the mobile resource management (“ MRM ”) and IoT marketplaces, current extensive patent coverage, and the rapid issuance of new patents, it is possible that certain components of our products, software, services, and business methods may unknowingly infringe the patents or other intellectual property rights of third parties. From time to time, we have been notified that we may be infringing such rights. In the highly competitive and technology- dependent telecommunications field in particular, litigation over intellectual property rights is a significant business risk, and some third parties (referred to as non-practicing, or patent- assertion, entities) are pursuing a litigation strategy with the goal of monetizing otherwise unutilized intellectual property portfolios via licensing arrangements entered into under threat of continued litigation. These lawsuits relate to the validity, enforceability, and infringement of patents or proprietary rights of third parties. We may have to defend ourselves against allegations that we violated patents or proprietary rights of third parties. Regardless of merit, responding to such litigation may be costly, unpredictable, time- consuming, and often involves complex legal, scientific, and factual questions, and could divert the attention of our management and technical personnel. In certain cases, we may consider the desirability of entering into such licensing agreements or arrangements, although no assurance can be given that these licenses can be obtained on acceptable terms or at all or that litigation will not occur. If we are found to be infringing any intellectual property rights, we could lose our right to develop, manufacture, or market products and services, product and services launches could be delayed, or we could be required to pay substantial monetary damages or royalties to license proprietary rights from third parties. If a temporary or permanent injunction is granted by a court prohibiting us from marketing or selling certain products, software and services, or a successful claim of infringement against us requires us to pay royalties to a third party, our financial condition and operating results could be materially and adversely affected, regardless of whether we can develop non- infringing technology. Risks Related to Third Parties Our telematics products and software services depend upon Internet- based systems that are proprietary to our business. These applications, which are hosted at independent data centers and are connected via access points to cellular networks, are used by our customers and by us to configure and communicate with wireless devices for purposes of determining location, speed or other conditions of vehicles and other mobile or fixed assets, and to deliver configuration code or executable commands to the devices. If we do not have continued access to sufficient capacity on reliable networks, we may be unable to deliver services and our sales could decrease. Our ability to grow and achieve profitability partly depends on our ability to buy sufficient capacity on the networks of wireless carriers and on the reliability and security of their systems. Some of our wireless services are delivered using airtime purchased from third parties. We depend on these third parties to provide uninterrupted service free from errors or defects and would not be able to satisfy our customers’ needs if such third parties failed to provide the required capacity or needed level of service. If these Internet- based systems failed or were otherwise compromised in some way, it could adversely affect the proper functioning of the wireless tracking and monitoring devices that we sell, and could result in damages to us as a result of the temporary or permanent inability of our customers to wirelessly communicate with these devices. In addition, our expenses would increase, and profitability could be materially and adversely affected if wireless carriers were to significantly increase the prices of their services. Our existing agreements with the wireless carriers generally have one- to three- year terms. Some of these wireless carriers are, or could become, our competitors. We rely upon Amazon Web Services to operate certain aspects of our service, and any disruption of or interference with our use of the Amazon Web Services operation would impact our operations and our business would be materially and adversely impacted. Amazon Web Services (“ AWS ”) provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a “ cloud ” computing service. We have architected our software and computer systems so as to utilize data processing, storage capabilities, and other services provided by AWS. Certain of our SaaS platforms and applications are hosted by AWS. Given this, along with the fact that we cannot easily switch our AWS operations to another cloud service provider, any disruption of or interference with our use of AWS would impact our operations and our business would be materially and adversely impacted. **Additional** Risks Related to Our Convertible Notes and Indebtedness ~~We have $ 230. 0 million aggregate principal amount of 2. 00 % convertible senior unsecured notes due in 2025 (“ 2025 Convertible Notes ” or “ Notes ”) outstanding. Holders of the 2025 Convertible Notes will have the right to require us to repurchase all or a portion of their convertible notes upon the occurrence of a fundamental change at a repurchase price equal to 100 % of the principal amount of the convertible notes to be repurchased, plus accrued and unpaid interest, if any. The 2025 Convertible Notes will be convertible into cash, shares of our common stock or a combination of cash and shares of common stock, at our election, based on an initial conversion rate of 32. 5256 shares of common stock per $ 1, 000 principal amount of the convertible notes, which is equivalent to an initial conversion price of $ 30. 7450 per share of common stock, subject to customary adjustments. Holders may convert their Notes at their option upon the occurrence of certain events, as defined in the applicable indenture. Upon~~

~~conversion of the 2025 Convertible Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the Notes surrendered therefor or pay cash with respect to the Notes being converted or at their maturity. In addition, our ability to repurchase or to pay cash upon conversions or at maturity of the Notes may be limited by law, regulatory authority or agreements governing our future indebtedness. Our failure to repurchase the Notes at a time when the repurchase is required by the applicable indenture or to pay any cash payable on future conversions of the Notes as required by the applicable indenture would constitute a default under the applicable indenture. A fundamental change under such indenture or a default under the indenture could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof.~~ The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of the Notes is triggered, holders of the Notes will be entitled to convert the Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. The accounting method for **the 2025** ~~convertible~~ **Convertible** ~~debt securities that may be settled in cash, such as the~~ Notes, could have a material adverse effect on our reported financial results. **Under applicable** ~~Accounting~~ **accounting** ~~Standards~~ **standards** ~~Codification Subtopic 470- 20, Debt with Conversion and Other Options (" ASC 470- 20 "), requires an entity to separately account for the liability and equity components of convertible debt instruments (such as the Notes)~~ that ~~may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer' s non- convertible debt interest rate. Accordingly, the equity component of the Notes is required to be included in the additional paid- in capital section of stockholders' equity on our consolidated balance sheet, and the value of the equity component is treated as original issue discount for purposes of accounting for the debt component of the Notes. As a result, we are required to recognize a greater amount of non- cash interest expense in our consolidated income statements in the current and future periods presented as a result of the amortization of the discounted carrying value of the Notes to their principal amount over the term of the Notes. We report lower net income (or greater net losses) in our consolidated financial results because~~ **became effective March 1** ~~ASC 470- 20 requires interest to include both the current period' s amortization of the original issue discount and the instrument' s non- convertible interest rate. This could adversely affect our reported or future consolidated financial results~~ , **2022** ~~the trading price of our common stock and the trading price of the Notes. In addition~~ , **the** ~~under certain circumstances, in calculating earnings per share~~ **shares underlying** ~~, convertible debt instruments (such as~~ the 2025 Convertible Notes **will** ~~) that may~~ be ~~settled entirely~~ **reflected in** ~~or~~ **our** ~~partly in cash are currently accounted for utilizing a method in which the shares of common stock issuable upon conversion of the Notes, if any, are not included in the calculation of~~ diluted earnings per share **using** ~~except to~~ the ~~extent~~ **" if converted " method. Under** that ~~the conversion value of the Notes exceeds their principal amount. Under this~~ method, diluted earnings per share ~~is~~ **would generally be** calculated **assuming** ~~as if the number of shares of common stock~~ that **all** ~~would be necessary to settle such excess, if we elected to settle such excess in shares, were issued. We cannot be sure that the accounting standards in the future will continue to permit the use of this method. If we are unable to use this method in accounting for the shares issuable upon conversion of the Notes, if any, then our diluted consolidated earnings per share could be adversely affected. In August 2020, the FASB issued ASU 2020- 06, Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging-Contracts in Entity' s Own Equity (Subtopic 815- 40), which removes certain separation models for convertible debt instruments and convertible preferred stock that require the separation of a convertible debt instrument into a debt component and an equity or derivative component. The standard is effective for interim and annual periods beginning after December 15, 2021, with early adoption permitted. We expect the primary impacts of this new standard will be to increase the carrying value of~~ the 2025 Convertible Notes ~~and reduce our reported interest expense. In addition~~ **were converted solely into shares of common stock at the beginning of the reporting period** , ~~we will~~ **unless the result would** be ~~required to use~~ **anti- dilutive. The application of** the if- converted method ~~for calculating~~ **may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our** diluted earnings per share. The capped call, convertible note hedge and warrant transactions may adversely affect the value of our Notes and our common stock. In connection with the sale of the 2025 Convertible Notes, we entered into privately negotiated capped call transactions with option counterparties. The capped call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of the Notes and / or offset any potential cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and / or offset subject to a cap. In connection with establishing any hedges of the capped call transactions, the option counterparties or their respective affiliates may enter into various derivative transactions with respect to our common stock and / or purchase shares of our common stock. This activity could increase (or reduce the size of any decrease in) the market price of our common stock or the Notes at that time. In addition, the option counterparties and / or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes (and are likely to do so during any observation period related to a conversion of Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Notes, which could affect investors' ability to convert the Notes and, to the extent the activity occurs following conversion or during any observation period related to a conversion of Notes, it could affect the amount and value of the consideration that investors will receive upon conversion of the Notes. The effect, if any, of these activities, including the direction or magnitude, on the market price of our common stock will depend on a variety of factors, including market conditions, and cannot be ascertained at this time. Any of these activities could, however, adversely affect the market price of our common stock and the trading price of the Notes. We are subject to counterparty risk with respect to the convertible note hedge transactions. The option counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that one or more option counterparties may default under the capped call and / or convertible note hedge transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. If any of the option counterparties becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under those transactions. Our exposure will depend on many factors but, generally, the increase in our exposure will be correlated to the increase in the market price of our common stock and in the volatility of the market price of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of any of the option counterparties. We ~~are subject to risks associated with debt financing. Our revolving credit facility contains, among other things, certain negative and affirmative covenants including financial covenants that require us to maintain a minimum level of earnings before interest, income taxes, depreciation, amortization and other non- cash charges (Adjusted EBITDA) to interest ratio, a minimum senior indebtedness ratio and a total indebtedness coverage ratio, all measured on a quarterly basis. While we have not previously breached any of the covenants contained in our credit agreement, at February 28, 2022 we were in violation of the total indebtedness coverage ratio covenant. Our revolving credit facility was set to expire on March 30, 2022 but was extended to June 30, 2022 as we are presently in negotiations to enter into a new revolving credit facility. Although we intend to enter into a replacement revolving credit facility, there can be no assurance that we will be able to obtain a credit facility with similar terms or at all. Additionally, our ability to comply with these covenants may be affected by events and conditions beyond our control, including the COVID- 19 pandemic. A breach of any of these covenants could result in a default under the credit agreement and related credit documents, which could cause all of the outstanding indebtedness under our revolving credit facility to become immediately due and payable. These covenants could also limit our ability to seek capital through the incurrence of new indebtedness or, if we are unable to meet our obligations, require us to repay any outstanding amounts with sources of capital we may otherwise use to fund our business. We~~ may incur substantially more debt or take other actions that could diminish our ability to make payments on the 2025 Convertible Notes. We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our future debt instruments, some of which may be secured debt. We are not restricted under the terms of the indenture governing the **2025 Convertible** Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the indentures governing the **2025 Convertible** Notes that could have the effect of diminishing our ability to make payments on the Notes when due. Risks Related to Our Common Stock and the Securities Market As a publicly traded company, the trading price of our common stock has fluctuated significantly in the past. The future trading price of our common stock may be volatile and could be subject to wide price fluctuations in response to such factors, including: • actual or anticipated fluctuations in revenues or operating results **; • acts of, or escalations in, war or terrorism; • failure to meet securities analysts' or investors' expectations of performance; • sales of our common stock by us, or insiders or our other stockholders; • changes in key management personnel; • announcements of technological innovations or new products by us or our competitors; • developments in or disputes regarding patents and proprietary rights; • proposed and completed acquisitions by us or our competitors; • the mix of products and services sold** ; • the effects of the recent global COVID- 19 pandemic; • ~~acts of war or terrorism; • failure to meet securities analysts' or investors' expectations of performance; • changes in key management personnel; • announcements of technological innovations or new products by us or our competitors; • developments in or disputes regarding patents and proprietary rights; • proposed and completed acquisitions by us or our competitors; • the mix of products and services sold; •~~ the timing, placement and fulfillment of significant orders; • product and service pricing and discounts; **• fluctuations in interest rates and inflation rates;** and • general economic conditions. Future issuances of shares of our common stock could dilute the ownership interests of our stockholders. Any issuance of equity securities could dilute the interests of our stockholders and could substantially decrease the trading price of our common stock. We may issue equity securities in the future for a number of reasons, including to finance our operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust our ratio of debt to equity, to satisfy our obligations upon the exercise of outstanding options or for other reasons. **To** ~~In July 2018, we issued the Notes and, to~~ the extent we issue common stock upon conversion of the **2025 Convertible** Notes, that conversion ~~would~~ **could** dilute the ownership interests of our stockholders **. In circumstances other than at maturity, the 2025 Convertible Notes are convertible into cash, shares of our common stock or a combination of cash and shares of common stock, at our election, based on an initial conversion rate of 32. 5256 shares of common stock per $ 1, 000 principal amount of the convertible notes, which is equivalent to an initial conversion price of $ 30. 7450 per share of common stock, subject to customary adjustments** . General Risk Factors ~~On February 24~~ **Unfavorable global economic conditions could adversely affect our business** , ~~2022~~ **financial condition or results of operations. A severe or prolonged economic downturn** , **additional global financial crises, macroeconomic issues or trade imbalances caused by events such as the** ~~Russian~~ - **Russia-** ~~military forces launched a military action in~~ Ukraine ~~and sustained~~ conflict ~~and disruption in the region is likely. Although the length~~ , **inflation** ~~impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable~~ , **rising interest rates** ~~this conflict could lead to significant market and other disruptions~~ , **availability** ~~including significant volatility in commodity prices and supply~~ of ~~energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and cyber and~~

~~corporate espionage. Russia' s recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military action against Ukraine have led to an unprecedented expansion of sanction programs imposed by the United States, the EU, the United Kingdom, Canada, Switzerland, Japan and other countries against Russia, Belarus, the Crimea Region of Ukraine, the so- called Donetsk People' s Republic and the so- called Luhansk People' s Republic, including, among others: • blocking sanctions against some of the largest state- owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication (" SWIFT ") payment system) and certain Russian businesses, some of which have significant financial and trade ties to the European Union; • blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities; and • blocking of Russia' s foreign currency reserves as well as expansion of sectoral sanctions and export and trade restrictions, limitations on investments and access to~~ capital markets **, energy availability** and ~~bans~~ **costs or governmental initiatives to manage economic conditions could result in a variety of risks to our business, and our ability to raise additional capital when needed** on ~~various Russian imports~~ **acceptable terms, if at all** . ~~The situation is rapidly evolving~~ **A weak or declining economy could also strain our suppliers, possibly resulting in further supply disruption. We cannot predict changes in worldwide or regional economic conditions and government policies,** as ~~a result of the conflict in Ukraine, and the United States, the EU, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus and other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as the existing and potential further responses from Russia or other countries to~~ such ~~sanctions, tensions~~ **conditions are highly volatile** and **beyond our control. If** ~~military actions, could adversely affect the~~ **these conditions deteriorate for extended periods, however,** ~~global economy and financial markets and could adversely affect~~ our business, **results of operations and** financial condition ~~and results of operations. We are actively monitoring the situation in Ukraine and assessing its impact on our business. To date we have not experienced any material interruptions in our infrastructure, supplies, technology systems or networks needed to support our operations. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions~~ could be **materially adversely** ~~significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect~~ **affected** ~~our business, financial condition and results of operations. Any such disruptions may also magnify the impact of other risks described in this Annual Report on Form 10- K~~ . Anti- takeover defenses in our charter and under Delaware law could prevent us from being acquired or limit the price that investors might be willing to pay for our common stock in an acquisition. Section 203 of the Delaware General Corporation Law prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years from the time the person became an interested stockholder, unless specific conditions are met. In addition, we have in place various protections which would make it difficult for a company or investor to buy our business without the approval of our Board of Directors, including authorized but undesignated preferred stock and provisions requiring advance notice of board nominations and other actions to be taken at stockholder meetings. All of the foregoing could hinder, delay or prevent a change in control and could limit the price that investors might be willing to pay in the future for shares of our common stock. Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees or agents to us or our stockholders; • any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our restated certificate of incorporation, or our amended and restated bylaws; • any action to interpret, apply, enforce or determine the validity of our restated certificate of incorporation or our amended and restated bylaws; and • any action asserting a claim against us that is governed by the internal affairs doctrine; provided, that with respect to any derivative action or proceeding brought on our behalf to enforce any liability or duty created by the Securities Exchange Act of 1934 or the rules and regulations thereunder, the exclusive forum will be the federal district courts of the United States of America. Our restated and amended bylaws further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. These exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If securities or industry analysts issue an adverse or misleading opinion regarding our business or publish unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock depends in part on the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us ceases coverage of our Company or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if any of the analysts who cover us downgrade our stock or issue an adverse or misleading opinion regarding us, our business model or our stock performance, or if our operating results fail to meet the expectations of the investor community, our stock price could decline. Our success depends on the attraction and retention of senior management and technical personnel with relevant expertise. As a competitor in a highly technical market, we depend heavily upon the efforts of our existing senior management and technical teams. The loss of the services of one or more members of these teams could slow product and services development and commercialization objectives. Due to the specialized nature of our products and services, we also depend upon our ability to attract and retain qualified technical personnel with substantial industry knowledge and expertise. Competition for qualified personnel is intense, and we may not be able to continue to attract and retain qualified personnel necessary for the development of our business. If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and investors' views of us. We are subject to the rules and regulations of the SEC, including those rules and regulations mandated by the Sarbanes- Oxley Act. Section 404 of the Sarbanes- Oxley Act requires public companies to include in their annual report a statement of management' s responsibilities for establishing and maintaining adequate internal control over financial reporting, together with an assessment of the effectiveness of those internal controls. Section 404 also requires the independent auditors of certain public companies to attest to, and report on, this management assessment. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time- consuming effort that will need to be evaluated frequently. Our failure to maintain the effectiveness of our internal controls in accordance with the requirements of the Sarbanes- Oxley Act could have a material adverse effect on our business. We could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on the price of our common stock. In addition, if our efforts to comply with new or changed laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. Lack of expected dividends may make our stock less attractive as an investment. We intend to retain all future earnings for use in the development of our business. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. In certain cases, stocks that pay regular dividends command higher market trading prices, and so our stock price may be lower as a result of our dividend policy. We may be subject to legal proceedings that could adversely affect our business. We may be subject to legal claims or regulatory matters involving stockholder, consumer, antitrust, intellectual property infringement, product liability and other issues. Litigation is subject to inherent uncertainties, including increases in demands for attention on our management team, and unfavorable rulings could occur. An unfavorable ruling could include money damages. If an unfavorable ruling were to occur, it could have a material adverse effect on our business, financial condition and results of operations for the period in which the ruling occurred or future periods. See also " Item 3 – Legal Proceedings " in Part I of this Annual Report on Form 10- K. Our stock price has been highly volatile in the past and could be highly volatile in the future. The market price of our stock can be highly volatile due to the risks and uncertainties described in this Annual Report, as well as other factors, including substantial volatility in quarterly revenues and earnings due to comments by securities analysts and our failure to meet market expectations. Over the fiscal year ended February 28, ~~2022~~ **2023** , the price of our common stock as reported on The Nasdaq Global Select Market ranged from a high of $ ~~14~~ **7** . ~~51~~ **62** to a low of $ ~~4~~ **2** . ~~99~~ **96** . The stock market has from time to time experienced extreme price and volume fluctuations that were unrelated to the operating performance of particular companies. In the past, companies that have experienced volatility have sometimes subsequently become the subject of securities class action litigation. If litigation were instituted on this basis, it could result in substantial costs and a diversion of management' s attention and resources. We may not be able to generate sufficient future taxable income to utilize our net operating loss and tax credit carryforwards. In addition, our ability to utilize our federal net operating loss and tax credit carryforwards may be limited under Sections 382 and 383 of the Internal Revenue Code (the " Code "). As discussed in Note ~~14~~ **13** , as of February 28, ~~2022~~ **2023** , we maintained a valuation allowance with respect to certain of our deferred tax assets relating primarily to net operating losses and tax credits in U. S. and certain non- U. S. jurisdictions that we believe are not likely to be realized. We considered positive and negative evidence, including three years of cumulative losses considering forecasts of future profitability as of February 28, ~~2022~~ **2023** , in assessing our ability to realize our domestic net deferred tax assets. Also, as of February 28, ~~2022~~ **2023** , we had net operating loss carryforwards of approximately $ ~~75~~ **80** . ~~3~~ **6** million and $ ~~68~~ **87** . ~~3~~ **8** million for federal and state tax purposes, respectively. The federal net operating loss (NOL) carryforwards are subject to various limitations under Section 382 of the Internal Revenue Code. The ability to utilize our NOL carryforwards to reduce taxable income in future years could become subject to significant limitations under Section 382 of the Internal Revenue Code if we undergo an ownership change. The limitations apply if a corporation undergoes an " ownership change, " which is generally defined as a greater than fifty (50) percentage point change (by value) in its equity ownership by stockholders who own directly or indirectly, 5 % or more of our common stock, over a three (3)- year period. Future changes in our stock ownership, which may be outside of our control, may trigger an ownership change and, consequently, Section 382 and 383 limitations. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. As a result, if we earn net taxable income, our ability to use our pre- change net operating loss carryforwards and other tax attributes to offset such taxable income may be subject to limitations, which could potentially result in increased future income tax liability to us. We continue to monitor stockholders who own directly or indirectly, 5 % or more of our common stock to determine if we have experienced an ownership change pursuant to Section 382.