Risk Factors Comparison 2023-03-15 to 2022-03-15 Form: 10-K

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The following risk factors should be read carefully in connection with evaluating our business and the forward- looking information contained in this Annual Report on Form 10- K. The risk factors below represent what we believe are the known material risk factors with respect to the Company and our business, but are not the only risks we face. Additional risks unknown to us or that we currently believe are insignificant may also affect our business. Any of the risks described below or elsewhere in this Annual Report on Form 10- K or our other filings with the SEC could materially adversely affect our business, operations, financial position or future financial results ~~. Global Pandemic and Related Risks The impact of the COVID- 19 pandemic has had, and may continue to have, an adverse effect on our business and our financial results. The COVID- 19 pandemic has negatively affected the global economy, disrupted consumer spending and global supply chains, and created significant volatility and disruption of financial markets. The COVID- 19 pandemic has had and may to continue to have an adverse effect on our business and financial performance. The extent of any further impact of the COVID- 19 pandemic on our business, including our ability to execute our business strategies as planned, will depend on future developments, including among others, the duration of the continued surges in the spread of COVID- 19 within the United States and globally, new variants of COVID- 19 emerging, the effectiveness of any vaccines for COVID- 19 and the recovery efforts from the Pandemic, all of which are highly uncertain and cannot be predicted. Additional impacts or more pronounced adverse impacts may arise that we are not currently aware of today. Therefore, we cannot reasonably estimate the full extent of the COVID- 19 pandemic' s impact on our future business and financial results. Our business, financial condition and results, cash flows and liquidity and results of operations could be materially and adversely affected by any such future developments~~ . Business Related Risks Our business depends on the availability of a large number of highly qualified IT professionals, sales and management personnel, and our ability to recruit and retain these individuals. We actively compete with many other IT service providers for qualified personnel, including professional IT staff, recruiters, sales and business development specialists, and management. The **Company is experiencing significant competition for qualified resources due to a general shortage of available IT digital solutions talent. We believe this competition will continue in the future, and it may have a negative impact on the Company' s operating results if we are unable to hire the resources we need to meet the requirements from our clients on a timely basis. The** availability of qualified personnel may affect our ability to provide services and meet the requirements of our clients. An inability to fulfill client requirements at agreed- upon rates due to a lack of available qualified personnel may adversely affect our revenue and operating results in the future. The Company also ~~began~~ **continues** to experience wage inflation globally **,** ~~during 2021~~ making hiring and retaining key personnel difficult. Continued increases in wage requirements may reduce operating profits if the Company is unable to pass such increases along to clients. Additionally, the turnover of employees is disruptive to providing our services to clients and may impact our ability to complete engagements as required, impacting our operating results and our reputation as a digital IT Solutions provider, which may in turn impact our ability to win future engagements. Our business long- term strategy to disengage from Non- Strategic Technology Services could have an adverse effect on our revenue and operating results if not successfully executed. During the fourth quarter of 2021, the Company further refined its strategy to focus on providing digital services within its IT Solutions and Services businesses in both North America and Europe. As part of this process, the Company determined that there are certain lower- margin staffing services accounts within its business that are no longer part of the Company' s long- term business plans. The Company' s inability to successfully execute on its strategy of disengaging from its lowest margin staffing services, Non- Strategic Technology Services, may negatively impact revenue and operating results. Decreases in demand for our services in the future would have an adverse effect on our revenue and operating results. The Company' s revenue and operating results are significantly impacted by changes in demand for its services. In the past, when global economic conditions declined, there was a significant decrease in demand for the Company' s services, which negatively affected the Company' s revenue and operating results as compared with prior years. Declines in demand for our IT services in ~~2022~~ **2023** or future years would adversely affect our revenue and operating results as it has in the past. Our client contracts generally have a short term or are terminable on short notice, and a significant number of failures to renew contracts in place, or early terminations or renegotiations of our existing client contracts could adversely affect our results of operations. Our clients typically retain us on a non- exclusive, engagement- by- engagement basis, rather than under exclusive long- term contracts. We performed ~~79~~ **76** . ~~8~~ **1** % of our services on a time- and- materials basis during ~~2021~~ **2022** . As such, our clients generally have the right to terminate a contract with us upon written notice without the payment of any financial penalty. Client projects may involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for additional stages of a project, or that a client will cancel or delay additional planned engagements. These terminations, cancellations, or delays could result from factors that are beyond our control and are unrelated to our work product or the progress of the project but could be related to business or financial conditions of the client, changes in client strategies or the economy in general. When contracts are terminated, we lose the anticipated future revenue, and we may not be able to eliminate the associated costs that would have been required to support those contracts in a timely manner. Consequently, our operating results in subsequent periods may be lower than expected. Our clients can cancel or reduce the scope of their engagements with us on short notice. If they do so, we may be unable to reassign our professionals to new engagements without delay. The cancellation or reduction in scope of an engagement could, therefore, reduce the utilization rate of our professionals, which would have a negative impact on our business, financial condition, and results of operations. As a result of these and other factors, our past financial performance should not be relied on as a guarantee of similar or improved future performance. Due to these factors, we believe that our results from operations in the future may fluctuate from period to period **,** the Company' s personnel,or the Company' s third party providers.These incidents could result in data loss,the disruption or loss of the Company' s internal or client- supporting operations and services,adversely affect the Company' s adherence with regulatory requirements,or result in a data breach.Data losses and data breaches could include the unauthorized disclosure,misuse,loss,and destruction of both the Company' s and its clients' intellectual property,financial information,or other regulated or privacy- related information.This includes but is not limited to United States personally identifiable information (PII),personal data under the European General Data Protection Regulation (GDPR),data covered under Luxembourg Law on the Financial Sector,protected health information (PHI) under the United States Health Insurance Portability and Accountability Act of 1996 (HIPAA),and data covered under the increasing number of U.S.state privacy and data breach laws,and other countries' privacy laws.The Company' s failure to protect sensitive data and address the regulatory compliance requirements of data and associated internal or delivery services under ~~the~~. Competition Related Risks Increased competition and the bargaining power of our large clients may cause our billing rates to decline, which would have an adverse effect on our revenue and, if we are unable to control our personnel costs accordingly, on our margins and operating results. We have experienced reductions in the rates we bill a number of our larger clients for services due to highly competitive market conditions. Additionally, we actively compete against many other companies for business at both new and existing clients. Billing rate reductions or competitive pressures may lead to a decline in revenue. When faced with such pressures, if we are unable to make commensurate reductions in our personnel costs, our margins and operating results would be adversely affected. Existing and potential clients may outsource or consider outsourcing their IT requirements to foreign countries in which we may not currently have operations, which could have an adverse effect on our ability to retain existing clients or obtain new clients. In recent years, more companies are using, or are considering using, low- cost offshore outsourcing centers to perform technology-related work and complete projects. Currently, we have partnered with clients to perform services outside of North America in both India and Colombia to mitigate and reduce this risk to our Company. However, the risk of additional outsourcing of IT solutions overseas to countries where we do not have operations could have a material, adverse impact on our future operations. The IT services industry is highly competitive and fragmented, which means that our clients have a number of choices for providers of IT services, and we may not be able to compete effectively. The market for our services is highly competitive. Moreover, the market is fragmented, and no company holds a dominant position. Accordingly, our competition for client requirements and experienced personnel varies significantly by geographic area and by the type of service provided. Some of our competitors are larger and have greater technical, financial, and marketing resources, and greater name recognition than we have in the markets we collectively serve. In addition, clients may elect to increase their internal IT system resources to satisfy their custom software development and integration needs. Finally, our industry is being impacted by the growing use of lower-cost offshore delivery capabilities (primarily India and other parts of Asia). There can be no assurance that we will be able to continue to compete successfully with existing or future competitors or that future competition will not have a material adverse effect on our results of operations and financial condition. The introduction of new IT services or changes in client requirements for IT services may render our existing offerings obsolete or unnecessary, which, if we are unable to keep pace with these corresponding changes, could have an adverse effect on our business. Our success depends, in part, on our ability to implement and deliver services that anticipate and keep pace with rapid and continuing changes in technology, industry standards, and client preferences and requirements. We may not be successful in anticipating or responding to these developments on a timely basis, and our offerings may not be successful in the marketplace. Also, services, solutions, and technologies developed by our competitors may make our solutions or staffing offerings uncompetitive or obsolete. Any one of these circumstances could have a material adverse effect on our ability to obtain and successfully complete client engagements. Operations Related Risks We derive a significant portion of our revenue from one client, and a significant reduction in the amount of requirements requested by this client would have an adverse effect on our revenue and operating results. IBM is CTG' s largest client, and we provide services to various IBM divisions in a number of locations. The National Technical Services Agreement (NTS Agreement) with IBM expires on October 27, 2023. In **2022,** 2021, **and** 2020 ~~, and 2019~~, IBM accounted for $ **57. 1 million or 17. 6 %, $** 74. 8 million or 19. 1 %, **and** $ 77. 5 million or 21. 2 ~~%, and $ 84. 9 million or 21. 5~~ % of the Company' s consolidated revenue, respectively. The Company' s accounts receivable from IBM at December 31, **2022 and** 2021 ~~and 2020~~ totaled $ **14. 0 million and $** 8. 9 ~~million and $ 11. 3~~ million, respectively. If we are unable to bill for our services or collect our receivables, our results of operations, financial condition, and cash flows could be adversely affected. Our business depends on our ability to obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and typically bill and collect on reasonable cycles. However, we might not accurately assess the creditworthiness of our clients, or macroeconomic conditions could result in financial difficulties for our clients, including bankruptcy and insolvency. In certain industries, some clients have requested longer payment terms, which has adversely affected, and may continue to adversely affect, our cash flows. The timely collection of client balances also depends on our ability to complete our contractual commitments as required. If we are unable to meet our commitments or bill our clients on a timely basis, our results of operations and cash flows could be adversely affected. We have established allowances for losses of receivables and unbilled services where we deem amounts to be uncollectible. The actual uncollectible amounts from clients could differ from those that we currently anticipate and have reserved for. If we repatriate our cash balances from our foreign operations, we may be subject to additional tax liabilities. We earn a portion of our operating income outside of the United States, and any repatriation or deemed repatriation of funds currently held in foreign jurisdictions to the United States may result in additional tax liabilities for the Company. In addition, there have been changes to the tax laws in the United States that impact how United States- based multinational corporations are taxed on foreign earnings. Any further changes in these tax laws could have a material adverse impact on our tax expense and cash flows. Ineffective internal controls could affect the Company' s business and operating results. The Company' s internal control over financial reporting may not prevent or detect misstatements because of the inherent limitations of internal controls, including the possibility of human error, the circumvention or overriding of controls, poorly designed or ineffective controls, or fraud. Internal controls that are deemed effective can provide only reasonable assurance with respect to the preparation and fair presentation of the Company' s consolidated financial statements. If the Company fails to maintain the adequacy of its internal controls, including the failure to implement new or improve existing controls, or fails to properly execute or properly test these controls, the Company' s business and operating results could be adversely impacted and the Company could fail to meet its financial reporting obligations. Changing economic conditions and the effect of such changes on accounting estimates could have a material impact on our results of operations. The Company has made a number of estimates and assumptions relating to the reporting of its assets and liabilities and the disclosure of contingent assets and liabilities to prepare its consolidated financial statements pursuant to the rules and regulations of the SEC and other accounting rulemaking authorities. Such estimates primarily relate to the valuation of stock options for recording equity- based compensation expense, allowances for **credit losses** ~~doubtful accounts receivable~~ , investment valuation, discount rates associated with pension plans, incurred but not recorded claims related to the Company' s self- insured medical plan, valuation allowances for deferred tax assets, goodwill, acquisition and related accounting, legal matters, other contingencies and estimates of progress toward completion and direct profit or loss on contracts, as applicable. As future events and their effects cannot be determined with precision, actual results could differ from these estimates. Changes in the economic climates in which the Company operates may affect these estimates and will be reflected in the Company’ s consolidated financial statements in the event they occur. Such changes could result in a material impact on the Company’ s results of operations. ~~Cyber Related Risks We~~ **An impairment of our long- lived assets, including goodwill,** could **have a material non- cash adverse impact on our results of operations. As of December 31, 2022, the Company carried a goodwill balance of $ 36. 0 million. The Company assesses goodwill for impairment when events or circumstances indicate that the carrying value may not** be **recoverable,** ~~subject to liability and damage to our~~ - **or at a minimum, on** ~~reputation resulting from cyber- attacks or data breaches. Cyber risks for companies providing global IT and~~ - **an annual basis** ~~professional services, especially in regulated industries, continue to increase~~ . **The valuation of goodwill depends** ~~This increase in risk may be attributed to the increasing value and dependence~~ on ~~data~~ **a variety of factors** , including ~~organizations’ intellectual property and citizens’ personal data that could be misused for identity theft~~ -- **the success** ~~and fraud. While the value and dependence~~ of ~~data has increased, likewise~~ the ~~reliance on electronic communications, mobile technologies, social networking, hybrid and cloud- based resources, smart devices, and emerging technologies continues to grow. In most regions, the regulatory compliance requirements surrounding data protection and privacy have also increased. In addition, the sophistication, motivation, and organization of cyber- attacks continues to evolve, as does the sophistication of threat actors such as organized crime, hackers, terrorists, activists, insider threats, and foreign governments. The~~ Company’ s business, ~~operations, and its clients rely on the secure processing, transmission, storage, integrity, and availability of data, services, and resources provided by its IT environments and operational processes. The Company’ s complex IT environments and variety of delivery services support a wide range of technologies, industries, regulatory compliance requirements, and clients globally~~ -- **global market and economic conditions, earnings growth and expected cash flows** . ~~Although~~ **Impairments to goodwill and** ~~the~~ **other intangible assets** ~~Company has not experienced any prior material data breaches, regulatory non- compliance incidents, or cyber security incidents, its environments~~ may be ~~impacted~~ **caused** by ~~cyber- attacks or cyber security incidents caused via the aforementioned threat actors~~ **factors outside** , the Company' s personnel,...... and associated internal or delivery services under the Company’ s control **, such as increasing competitive pricing pressures, changes in foreign currency exchange rates, lower than expected sales and profit growth rates, and various other factors. Significant and unanticipated changes** could **require a non- cash charge for impairment in a future period, which may significantly affect the Company’ s** ~~result~~ **results** ~~in reputational damage, fines and penalties, litigation costs, external investigations, compensation costs including reimbursement and monetary awards, prohibition~~ of **operations** ~~providing services~~ in ~~a region or industry,~~ **the period of such change. Global Pandemic** and ~~/ or additional compliance~~ **Related Risks The impact of the COVID- 19 pandemic has had,** and **may continue to** ~~remediation costs that could~~ have ~~a material~~ , **an** adverse ~~impact~~ **effect** on ~~the Company' s operations~~ **our business and our financial results** . ~~It could also~~ **The COVID- 19 pandemic has negatively affected the global economy, disrupted consumer spending and global supply chains, and created significant volatility and disruption of financial markets. The COVID- 19 pandemic has had and may to continue to** have an adverse **effect on our business and financial performance. The extent of any further lingering** ~~impact~~ **impacts** ~~on~~ **of** the ~~Company’ s~~ **COVID- 19 pandemic on our business, including our** ability to ~~maintain and~~ execute ~~new contracts with clients that produce or~~ **our** ~~work with similar data~~ **business strategies as planned** , **are uncertain** and ~~make it more difficult to retain~~ **cannot be predicted. Our business, financial condition** and ~~recruit qualified personnel to perform its services in the~~ **results, cash flows and liquidity and results of operations could be materially and adversely affected by any such** future **developments** ~~. As cyber threats continue to become more sophisticated and the regulatory compliance and privacy landscape continues to evolve resulting in changes to the Company’ s risk profile, the Company may be required to expend and invest in additional resources, personnel, and technologies to enhance and implement new risk mitigation strategies~~ . Regulatory or Legislative Related Risks Our business is subject to economic, political, regulatory and other risks associated with domestic and international operations which could have an adverse effect on our operating results if we are unable to mitigate or hedge these risks. We have operations in the United States and Canada in North America, in Belgium, Luxembourg, France, and the United Kingdom in Europe, in India, and in Colombia. Although our foreign operations conduct their business in their local currencies, these operations are subject to their own currency fluctuations, legislation, employment and tax law changes, and economic climates. As they relate to our foreign operations, these factors are different from those of the United States. Although we actively manage these foreign operations with local management teams, our overall operating results may be negatively affected by local economic conditions, changes in foreign currency exchange rates, or tax, regulatory or other economic changes beyond our control. **Our foreign operations will continue to expose us to foreign currency**

exchange rate fluctuations, including the impact of the significant decline in the value of the Euro on the Company' s consolidated operating results. The future impact of foreign currency exchange rate fluctuations on our results of operations cannot be accurately predicted. Accordingly, there can be no assurance that foreign currency exchange rates: • will be stable in the future; • can be mitigated with currency hedging or other risk management strategies; or • will not have a material adverse effect on our business, operating results and financial condition. In addition, any widespread outbreak of an illness, pandemic or other local or global health issue (including COVID- 19), natural disasters, climate change impacts, economic weakness, including **continued** inflation or a recession, or uncertain political climates, international hostilities including **recent developments in China and** war, such as the ~~current~~ conflict between Russia and Ukraine, or any terrorist activities, could adversely affect customer demand, the Company' s operations, and its ability to source and deliver services to its customers, which could have a material adverse effect on the Company' s financial results. ~~For instance, the U. K. referendum to exit from the European Union, commonly referred to as " Brexit, " continues to cause global economic, trade and regulatory uncertainty.~~ The Company continues to monitor the impact that ~~the United Kingdom' s exit from the European Union (~~ Brexit ~~)~~ has had on its operations. To date, there has been a nominal impact on the Company' s operating results from Brexit. As the total revenue generated by our British subsidiary is immaterial as compared with the Company' s total consolidated revenue, we do not expect the nominal impact the exit has had on the Company' s operations to date to change in the foreseeable future. **Furthermore, although we have no operations directly in the Ukraine, the global economy has been negatively impacted by the military conflict there, which in part has exacerbated inflationary conditions in North America and Western Europe where we conduct nearly all our operations. Macroeconomic conditions continue to also impact the global economy. The scope and duration of these conditions is uncertain. However, the Company is already seeing an impact through its clients delaying IT purchasing decisions and increasing labor and other costs. These conditions may have a significant negative impact on the Company' s operating results in the future if they continue to persist.** All of these factors are outside of our control, but may nonetheless harm our future results and cause us to adjust our strategy in order to compete effectively **. Increased focus and expectations on climate change and other ESG matters could have a material adverse effect on our business, financial condition and results of operations and damage our reputation. An increase in focus on ESG matters by institutional investors, governmental and non- governmental organizations, consumers, shareholders, communities, and other stakeholders and the related expectations could have a material, adverse effect on our business, financial condition and results of operations and our reputation. These trends have led to, among other things, increased public and private social accountability reporting requirements relating to labor practices, climate change, and other ESG matters and thus greater demands on our solutions and services. The increased focus may also lead to new regulations and client, shareholder and consumer demands that could require us to incur additional costs or make changes to our operations to comply with these regulations. We expect that these trends will continue. If we are unable to adequately respond to, or we are not perceived as adequately responding to, existing or new requirements or demands, clients may choose to obtain services from a competitor** . Government cuts in healthcare programs, such as Medicare, and delays in legislative or regulatory healthcare mandates could cause a reduction in IT spending by our healthcare clients, which could materially and adversely affect our revenue and results of operations. The Company' s growth efforts include a focus on the healthcare market. Growth in this market depends on continued spending by our healthcare clients on IT projects. Cuts in government healthcare programs, such as sequestration, which has periodically cut Medicare reimbursements to hospitals and health systems, may result in reduced expenditures by our healthcare clients on IT projects. If additional government cuts in healthcare programs occur, whether due to the failure of Congress to adopt a budget, pass appropriations bills or raise the U. S. debt ceiling or for other reasons, there may be delays, reductions or cessation of funding to our clients, which could cause our clients to purchase less IT services from us, and materially and adversely affect our revenue and results of operations. In addition, delays in implementation of legislative or regulatory healthcare mandates could adversely affect the IT spending by our healthcare clients to implement such mandates. If the implementation of existing or contemplated legislative or regulatory healthcare mandates are deferred, the resulting reduction in IT spending by our healthcare clients could materially and adversely affect our revenue and results of operations. Changes in government regulations and laws affecting the IT services industry, and the industries in which our clients operate, including accounting principles and interpretations, and the taxation of domestic operations could adversely affect our results of operations. Changing laws, regulations and standards relating to corporate governance and public disclosure, including new SEC regulations, create uncertainty for companies such as ours. These laws, regulations, and standards are subject to varying interpretations which, in many instances, is due to their lack of specificity. As a result, the application of these standards and regulations in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. As a result, our efforts to comply with evolving laws, tax regulations and other standards have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue- generating activities to compliance activities. The Financial Accounting Standards Board (FASB), the SEC, and the Public Company Accounting Oversight Board (PCAOB) or other accounting rule making authorities have issued and may continue to issue new accounting rules or auditing standards that are different from those that we presently apply to our financial results. Such new accounting rules or auditing standards could require significant changes from the way we currently report our financial condition, results of operations or cash flows. U. S. generally accepted accounting principles have been the subject of frequent changes in interpretations, and the frequency of future accounting policy changes may accelerate. Such future changes in financial accounting standards may have a significant effect on our reported results of operations, including results of transactions entered into before the effective date of the changes. We are subject to income and other taxes in the United States (federal and state) and numerous foreign jurisdictions. Our provisions for income and other taxes and our tax liabilities in the future could be adversely affected by numerous factors. These factors include, but are not limited to, income before taxes being lower than anticipated in countries with lower statutory tax rates and higher than anticipated in countries with higher statutory tax rates, changes in the valuation of deferred tax assets and liabilities, and changes in various federal, state and international tax laws, regulations, accounting principles or interpretations thereof, which could adversely impact our financial condition, results of operations, and cash flows in future periods. Acquisition Related Risks Risks to the Company from acquisitions include integration challenges, disruptions of the Company' s core business, a failure to achieve objectives, and the assumption of liabilities. The Company regularly evaluates acquisitions to aid the Company' s growth in revenue and profits by expanding the services the Company offers in the geographies in which the Company operates, and its client base. Acquisitions often present significant challenges and risks relating to the integration of the business into the Company, and there can be no assurances that the Company will manage acquisitions successfully, that the Company' s core business will not be significantly disrupted after an acquisition is finalized, or that strategic acquisition opportunities will be available to the Company on acceptable terms. The risks from an acquisition include the Company failing to achieve strategic objectives and anticipated revenue and profit improvements, borrowing a significant amount of money to fund the acquisitions which creates financial stress for the Company' s operations, as well as failing to retain the key personnel of the acquired business. Additionally, failure to meet financial objectives of an acquisition could lead to impairment charges of intangible assets and goodwill in future periods. Finally, the assumption of liabilities related to litigation or other legal proceedings involving the acquired business may present a significant risk. Capital Resources Related Risks We may require additional capital to support our business, and this capital may not be available to us on acceptable terms, if at all. The Company entered into **an** ~~a new~~ asset- based lending revolving credit agreement (Credit Agreement) during the 2021 second quarter, which has a five- year term that expires in May 2026, replacing its previous agreement. Under this Credit Agreement, the Company can borrow up to $ 50. 0 million depending on collateral availability. The Credit Agreement is collateralized by the Company' s accounts receivable in the United States, Belgium, and Luxembourg. **The London Interbank Offered Rate (" LIBOR "), the interest rate benchmark used as a reference rate on our Credit Agreement, began being phased out at the beginning of calendar year 2022, with the one- month LIBOR scheduled to cease immediately after June 30, 2023. A reference rate based on the Secured Overnight Financing Rate (" SOFR "), and other alternative benchmark rates, are replacing LIBOR.** Interest rates range from 1. 5 % to 2. 0 % over ~~LIBOR~~ **SOFR** or EURIBOR loans, and 0. 5 % to 1. 0 % over base rate (prime rate) loans. The Company can borrow under the agreement at either rate at its discretion. **It is possible that the volatility of and uncertainty around SOFR as a LIBOR replacement rate and the applicable credit adjustment as well as rising interest rates would result in higher borrowing costs for us, and would adversely affect our liquidity, financial condition, and earnings.** The Company' s previous Credit and Security Agreement was terminated during the 2021 second quarter. At December 31, ~~2021~~ **2022** , we had no borrowings outstanding under our revolving credit facility. The Company may be dependent on our revolving credit facility to meet working capital and operational requirements, and access to our facility is dependent on, among other things, compliance with applicable covenants, including fixed charge coverage ratio, consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) targets, and a limit on annual expenditures for property, plant, equipment, and capitalized software. The fixed charge coverage ratio is only tested if availability on a measurement date is below a threshold. The amount available for borrowing under the revolving credit facility could be significantly reduced due to poor operational performance, or other factors. Any loss or material reduction of our ability to access funds under the revolving credit facility could materially and negatively impact our liquidity. ~~In addition, the London Interbank Offered Rate (" LIBOR "), the interest rate benchmark used as a reference rate on our Credit Agreement, began being phased out at the beginning of calendar year 2022, with the one- month LIBOR, which we utilize as a reference rate, scheduled to cease immediately after June 30, 2023. A reference rate based on the Secured Overnight Financing Rate (" SOFR "), and other alternative benchmark rates, are replacing LIBOR. Our Credit Agreement gives the Company the option to use SOFR in replacement of LIBOR. It is possible that the volatility of and uncertainty around SOFR as a LIBOR replacement rate and the applicable credit adjustment would result in higher borrowing costs for us, and would adversely affect our liquidity, financial condition, and earnings.~~ Risk from Activist Shareholders Actions of activist stockholders could cause us to incur substantial costs, divert management' s and the board' s attention and resources, and have an adverse effect on our business and stock price. From time to time, we may be subject to proposals by stockholders urging us to take certain corporate actions. If activist stockholder activities ensue, our business could be adversely affected as responding to proxy contests and reacting to other actions by activist stockholders can be costly and time- consuming, disrupt our operations, and divert the attention of management and our board of directors, all of which could interfere with our ability to execute our strategic plan. We may be required to retain the services of various professionals to advise us on activist stockholder matters, including legal, financial and communications advisors, the costs of which may adversely affect our financial results. In addition, the perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist stockholder initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, clients, and employees, and cause our stock price to experience periods of volatility or stagnation. Share Price Related Risks Our share price could fluctuate and be difficult to predict. Our share price has fluctuated in the past and could continue to fluctuate in the future in response to various factors, including both external and internal, and those beyond our control. These factors may include, among others: • changes in macroeconomic or political factors unrelated to our business in the geographies in which we operate; • general or industry-specific market conditions or changes in financial markets; • our failure to meet our growth or financial objectives (including revenue, operating margins, and earnings per share targets); • our ability to generate cash flow to return cash to our shareholders at historical levels or levels expected by our stockholders; • announcements by us or competitors about developments in our business or prospects; and • projections or speculation about our business by the media or investment analysts.