Risk Factors Comparison 2024-03-26 to 2023-03-21 Form: 10-K

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Our business, operations, and financial condition are subject to various risks and uncertainties, including those described below, that could materially adversely affect our business, results of operations, financial condition, growth prospects, and the trading price of our Class A common stock. The following factors, among others not currently known by us or that we currently do not believe are material, could cause our actual results to differ materially from historical results and those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors, and oral and other statements. You should carefully consider the following risks, together with all of the other information contained in this Annual Report on Form 10- K, including the sections titled " Special Note Regarding Forward- Looking Statements " and " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and our financial statements and the related notes included elsewhere in this Annual Report on Form 10- K. Risks Related to Our Business, Industry, and Operations ~~Accounting Policies and Estimates — Stock- Based Compensation."~~ Our rapid growth makes it difficult to evaluate our future prospects and increases the risk that we will not continue to grow at or near historical rates.We have been growing rapidly over the ~~last~~ **past** several years.As a result,our ability to forecast our future results of operations is subject to a number of uncertainties,including our ability to effectively plan for and model future growth.Many factors may contribute to declines in our revenue growth rate,including increased competition,slowing demand for our solution from existing and new customers,a failure by us to continue capitalizing on growth opportunities,terminations **of contracts,non- renewals** of contracts or product returns by our existing customers,the maturation of our business,and macroeconomic factors,among others.Our recent and historical growth should not be considered indicative of our future performance.Even if our revenue continues to increase over the long term,we expect that our revenue growth rate will continue to decline in the future as a result of a variety of factors,including the maturation of our business.We have encountered in the past,and will encounter in the future,risks and uncertainties frequently experienced by growing companies in rapidly changing industries.If our assumptions regarding these risks and uncertainties,which we use to plan and operate our business,are incorrect or change,or if we do not address these risks successfully,our operating and financial results could differ materially from our expectations,our growth rates may slow and our business,financial condition,and results of **operations could be harmed.** We have a history of losses and may not be able to achieve ~~or~~ **our** ~~sustain~~ profitability **targets** ~~on a consistent basis or at all~~ in the future. We have incurred losses in all years since our incorporation, and we expect we will continue to incur net losses **in** ~~for the foreseeable~~ future **quarters** . We incurred net losses of $ **286. 7 million and $** 247. 4 million ~~and $ 355. 0 million~~ for ~~our~~ **the** fiscal years ended **February 3, 2024 and** January 28, 2023 ~~and January 29, 2022~~ , respectively. As a result, we had an accumulated deficit of $ 1, **455. 1 million and $ 1,** 168. 4 million ~~and $ 921. 0 million~~ as of **February 3, 2024 and** January 28, 2023 ~~and January 29, 2022~~ , respectively. We anticipate that our ~~operating~~ expenses will increase substantially in the foreseeable future as we continue to enhance our Connected Operations Cloud, broaden our customer base, expand our sales and marketing activities, including expanding our sales team and customer outcomes team, expand our operations, hire additional employees, and continue to develop our technology. ~~In addition to the expected costs to grow our business, we also have incurred and expect to incur significant additional legal, accounting, and other expenses as a public company.~~ These efforts may prove more expensive than we currently anticipate, ~~and~~ **or** we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. Revenue growth may slow, or revenue may decline, for a number of possible reasons, including slowing demand for our Connected Operations Cloud or increasing competition, among other reasons. Any failure to increase our revenue as we grow our business could prevent us from achieving **our** profitability **targets** ~~on a consistent basis or at all~~ , which would cause our business, financial condition, and results of operations to suffer. Additionally, we have granted restricted stock units (" RSUs ") to our employees and certain non- employees, with such RSUs vesting upon the satisfaction of certain vesting conditions. In the fourth quarter of fiscal year ~~2023~~ **2024** , we recognized stock- based compensation expense of $ ~~40~~ **60** . ~~1~~ **4** million related to RSUs for which the service condition had been satisfied or partially satisfied. The remaining unrecognized stock- based compensation expense relating to our outstanding RSUs was $ ~~384~~ **447** . ~~3~~ **1** million as of ~~January 28~~ **February 3** , ~~2023~~ **2024** , representing the remaining expense expected to be recognized as these RSUs vest. Our future operating expenses will include a substantial amount of stock- based compensation expense with respect to these RSUs, as well as any other equity awards we have granted and may grant in the future, which will have an adverse impact on our ability to achieve **our** profitability **targets** . For additional information, see the...... and results of operations could be harmed . We face risks associated with the growth of our business in new use cases. Historically, most of our revenue has been derived from sales relating to our Applications for use in connection with customers' fleets. In recent periods, we have increased our focus on Applications for use in connection with customers' equipment and sites. We **have expanded and** plan **to continue** to expand the use cases of our solution, including those where we may have limited operating experience, and may be subject to increased business, technology, and economic risks that could affect our financial results. Entering new use cases and expanding in the use cases in which we are already operating with new Applications will continue to require significant resources, and there is no guarantee that such efforts will be successful or beneficial to us. Historically, sales to a new customer have often led to additional sales to the same customer or similarly situated customers. To the extent we expand into and within new use cases that are heavily regulated, we will likely face additional regulatory scrutiny, risks, and burdens from the governments and agencies which regulate those markets and industries. While our strategy of building Applications for use in connection with customers' fleets has proven successful in the past, it is uncertain **that** we will achieve the same penetration and organic growth with respect to Applications for customers' sites and equipment or any other use cases that we pursue. Any failure to do so may harm our reputation, business, financial condition, and results of operations. If we are unable to attract new customers, our future revenue and results of operations will be harmed. Our future success depends, in part, on our ability to sell subscriptions to access our Connected Operations Cloud to new customers. Our ability to attract new customers will depend on the perceived benefits and pricing of our solution and the effectiveness of our sales and marketing efforts. Other factors, many of which are out of our control, may now or in the future impact our ability to attract new customers, including: • potential customers' inexperience with or reluctance to adopt software **-** and cloud- based solutions in their physical operations; • potential customers' commitments to or preferences for their existing vendors; • actual or perceived switching costs; • the adoption of new, or the amendment of existing, laws, rules, or regulations that negatively impact the utility of, or that require difficult- to- implement changes to, our solution, including deregulation that reduces the need for compliance functionality provided by our Connected Operations Cloud; • our ability to deliver compliance functionality offered by our solution; • our failure to expand, retain, and motivate our sales, product **,** and engineering personnel; • our failure to successfully expand into new international markets; • our failure to develop or expand relationships with existing channel or OEM partners or to attract new channel or OEM partners; • our failure to develop our application ecosystem and integrate with new **third- party and customer software** applications and devices used by potential customers; • our failure to help potential customers successfully deploy and use our solution; and • general macroeconomic conditions, including elevated inflation and interest rates, financial distress caused by ~~recent or potential~~ bank failures and other recent financial, economic, and political events that may impact our customers and the industries in which they operate. If our efforts to attract new customers are not successful, our business, financial condition, and results of operations will suffer. If we are unable to retain and expand our relationships with existing customers, our financial position and results of operations will be harmed. **To** ~~In order for us to~~ maintain or improve our results of operations, it is important that our customers renew their subscriptions to ~~access~~ our Connected Operations Cloud when existing contract terms expire and that we expand our commercial relationships with our existing customers. Our contracts are typically for ~~a~~ **an initial** subscription term of three to five years. However, our customers have no obligation to renew their subscriptions after the initial terms expire, and our customers might not renew their subscriptions for a similar contract period, on the same payment terms, with the same or greater number of Applications and IoT devices, or at all. In the past, some of our customers have elected not to renew their subscriptions with us **,** and it is difficult to accurately predict long- term customer retention ~~, in part due to our limited experience with renewal cycles to date~~ . Customers may choose not to renew their subscriptions for many reasons, including the belief that our solution is not required for their business needs or is otherwise not cost- effective, a desire to reduce discretionary spending in response to macroeconomic or other factors, our discontinuation of a desired application or loss of applicable regulatory certifications, a dissatisfaction with their overall customer experience, or a belief that our competitors' offerings provide better value. Additionally, our customers might not renew for reasons entirely out of our control, such as mergers and acquisitions **that** ~~affecting~~ --- **affect** our customer base, the dissolution of their business or business unit utilizing our solution **,** or an economic downturn affecting their industry. A decrease in our renewal rate would have an adverse effect on our business, financial condition, and results of operations. A part of our growth strategy is to sell additional subscriptions to Applications and expand use cases with our existing customers. Our ability to sell subscriptions to new Applications will depend in significant part on our ability to anticipate industry evolution, practices **,** and standards. Additionally, we will need to continue to enhance existing Applications and introduce new Applications and features on a timely basis to keep pace with technological developments both within our industry and in related industries, and to remain compliant with any federal, state, local, or foreign regulations that apply to us or our customers. However, we may prove unsuccessful either in developing new Applications or in expanding the set of third- party applications and devices with which our Applications integrate, particularly as we expand our solution into use cases that have not been our historical focus and as we continue to refine our efforts to hire, develop, and retain engineering talent. In addition, the success of any enhancement or new Application depends on several factors, including the timely completion, introduction **,** and market acceptance of the enhancement or Application. Any new Applications we develop or acquire might not be introduced in a timely or cost- effective manner and might not achieve the broad market acceptance necessary to generate significant revenue, particularly with respect to use cases that have not been our historical focus. If any of our competitors implements new technologies before we **can** ~~are able to~~ implement them or better anticipates the innovation and integration opportunities in related industries, our business may be adversely affected. Another part of our growth strategy is to sell additional subscriptions to existing customers as they increase their number of connected assets, such as machinery, vehicles, warehouses, and factories. However, our customers may not continue to grow and expand their fleet and physical operations, or may opt not to purchase additional subscriptions from us to cover their broader or expanded operations. A decrease in our ability to sell additional subscriptions to our Connected Operations Cloud to our existing customers could have an adverse effect on our business, financial condition, and results of operations. We rely heavily on direct sales to sell subscriptions to access our Connected Operations Cloud. We market and sell subscriptions to access our Connected Operations Cloud primarily through a direct sales model **,** and we must expand our sales organization to increase our sales to new and existing customers. We expect to continue expanding our direct sales force, both domestically and internationally, particularly our direct sales organization focused on sales to large organizations. We also expect to dedicate significant resources to sales programs that are focused on these large organizations. Once a new customer begins using our Connected Operations Cloud, our sales team will need to continue to focus on expanding use of our Connected Operations Cloud by that customer, including increasing the number of our IoT devices and Applications used by that customer and expanding their deployment of our Applications across other use cases. All of these efforts will require us to invest significant financial and other resources. We have also experienced turnover in our sales **and marketing** ~~team~~ **teams** ~~members~~ **, including within the senior leadership of those teams** , which **often** results in costly training ~~and~~ **,** operational inefficiency **, and potential execution risks** . If we are unable to expand and successfully onboard our sales force **and new sales and marketing leaders** at sufficiently high levels, our ability to attract new customers may be harmed, and our business, financial condition **,** and results of operations would be adversely affected. In addition, we may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, integrate, and retain talented and effective sales personnel, if our new and existing sales personnel are unable to achieve desired productivity levels in a reasonable period of time, ~~or~~ if our sales programs are not effective **, or if we are not able to accurately account for the impact of sales personnel leaves of absence** . In order to increase our revenue, we expect we will need to further build our direct sales capacity while also developing channel partners who will ~~also~~ require training, support, and integration into our sales process. Additionally, our entry into any new markets and use cases will require us to develop appropriate internal sales capacity or channel partners and to train internal or external sales teams to effectively address these markets. If we are unsuccessful in these efforts, our ability to grow our business will be limited, and our business, results of operations, prospects, and financial condition will be adversely affected. Our current system of direct sales may not prove effective in maximizing sales of subscriptions to access our Connected Operations Cloud. Our solution is complex and certain sales can require substantial effort and outlay of cost and resources, either by us or our channel partners. It is possible that our sales team members or channel partners will be unable or unwilling to dedicate appropriate resources to support those sales. If we are unable to develop and maintain effective sales incentive programs for our internal sales team members and channel partners, we may not be able to incentivize these parties to sell our solution to customers and, in particular, to large organizations. The loss of one or more of our sales team members or channel partners in a given geographic area could harm our results of operations within that area, as sales team members and channel partners typically require extensive training and take several months to achieve acceptable productivity. The length of our sales cycle can be unpredictable, particularly with respect to sales to large customers, and our sales efforts may require considerable time and expense. It is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to our existing customers. Customers with substantial or complex organizations may choose to deploy our ~~solutions~~ - **solution** in large increments on a periodic basis. Accordingly, customers may purchase subscriptions for significant dollar amounts on an irregular and unpredictable basis. Because of the nature of our business, we cannot predict the timing or cost of these sales and deployment cycles. Variations in the sales cycles among our customers based on the size and complexity of their operations, as well as the possibility that customers may purchase new subscriptions sporadically with short lead times, may adversely impact our ability to anticipate the timing and amount of revenue and contract value from new customers. In particular, part of our strategy is to target sales to larger customers. Sales to larger customers involve risks that may not be present or that are present to a lesser extent with sales to smaller organizations, such as longer sales cycles (which typically last several months and, in some cases, have exceeded one year), more complex customer product requirements and expectations related to invoicing and payment terms, substantial upfront sales costs, and less predictability in completing some of our sales. For example, large customers ~~may~~ **often** require considerable time to evaluate and test our solution prior to purchasing a subscription. A number of factors influence the length and variability of our sales cycle, including the need to educate potential customers about the uses and benefits of our solution, the discretionary nature of purchasing and budget cycles, the competitive nature of evaluation and purchasing approval processes, the customer' s contemplated use ~~case~~ **cases** , the specific deployment plan of each customer, the complexity of the customer' s organization, and the difficulty of such deployment, as well as whether a sale is made directly by us or through resellers or other partners. Moreover, large customers often begin to deploy our solution on a limited basis but nevertheless may require a greater level of support from our customer support personnel and negotiate pricing discounts, which increases our upfront investment in the sales effort with no guarantee that sales to these customers will justify our substantial upfront investment. If we fail to effectively manage these risks associated with sales cycles, sales timing uncertainty, sales to large customers and collection of payment from our customers, our business, financial condition, and results of operations may be adversely affected. Our ability to achieve customer renewals and increase sales of **subscriptions to** our ~~products~~ **solution** is dependent on the quality of our customer outcomes team, and our failure to offer high quality support would have an adverse effect on our business, reputation, and results of operations. Our customers depend on our customer outcomes team to resolve issues and ~~to~~ realize the full benefits relating to our Connected Operations Cloud. If we do not succeed in helping our customers quickly resolve post- deployment issues or provide effective ongoing support and education on our Connected Operations Cloud, our ability to sell additional subscriptions to, or renew subscriptions with, existing customers or expand the value of existing customers' subscriptions would be adversely affected and our reputation with our customers could be damaged. Many large customers have more complex IT environments and require higher levels of support than smaller customers. If we fail to meet the requirements of these larger customers, it may be more difficult to grow sales with them. Additionally, it can take several months to recruit, hire, and train qualified engineering- level customer support employees. We may not be able to hire such employees fast enough to keep up with demand, particularly if the sales of **subscriptions to** our ~~products~~ **solution** exceed our internal forecasts. To the extent that we are unsuccessful in hiring, training, and retaining adequate customer support employees, our ability to provide adequate and timely support to our customers, and our customers' satisfaction with our ~~products~~ **solution** , will be adversely affected. Our failure to provide and maintain high- quality support services would have an adverse effect on our business, reputation, and results of operations. Our dependence on a limited number of joint design manufacturers and suppliers of manufacturing services and critical components within our supply chain for our IoT devices may adversely affect our ability to sell subscriptions to our Connected Operations Cloud, our margins **,** and our results of operations. Our IoT devices are made using a primarily outsourced manufacturing business model that utilizes joint design manufacturers. We depend on a limited number of joint design manufacturers, and in some instances, a single joint design manufacturer, to allocate sufficient manufacturing capacity to meet our needs, to produce IoT devices, or components thereof, of acceptable quality at acceptable yields, and to deliver those devices or components to us on a timely basis. We are subject to the risk of shortages and long lead times in the supply of these devices and components. In addition, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules. We have in the past experienced and may in the future experience component shortages, and the ~~predictability of the~~

availability of these components may be ~~limited~~ **unpredictable** . For example, over the last several fiscal years, there has been an ongoing global silicon component shortage, which has resulted in increases in the cost of devices and components and delays in shipments of goods across many industries, including components used in our IoT devices. Global transportation and freight networks have also been strained as a result of ~~COVID- 19~~ **global health crises** , geopolitical conflicts, labor disputes **,** and other factors, which has caused freight shipping costs and lead times to increase. Increases in the cost of devices or components, or freight to transport those items, could negatively impact our **results of operations** ~~gross margins and cash flow margins~~ . Our manufacturers and suppliers will continue to face the risk of temporary or permanent disruptions in their manufacturing operations due to equipment breakdowns, labor strikes or shortages, natural disasters, disease outbreaks (such as ~~prior~~ outbreaks of the COVID- 19 pandemic) and resulting lockdowns, geopolitical disputes (such as ongoing conflicts between China and other countries), civil unrest, hostilities or wars (such as the ongoing conflict between Russia and Ukraine **and the conflict in Israel and Gaza**), component or material shortages, cost increases, acquisitions, insolvency, changes in legal or regulatory requirements, or other similar problems. Our joint design manufacturers and suppliers have a large presence in Taiwan. Any increase in tensions between China and Taiwan, including threats of military actions or escalation of military activities, could adversely affect our manufacturing and supply partners' operations in Taiwan and secondary locations in Asia. Although we have extended our supply orders to the latest quoted lead times and have made preemptive spot purchases to build out our inventory, we cannot guarantee that we will have sufficient inventory for our needs or that future disruptions to our supply of IoT devices or materials will not occur. Any delay in the shipment of IoT devices or any other necessary materials delays our ability to recognize revenue for subscriptions purchased by our customers. In addition, some of our suppliers, joint design manufacturers, and logistics providers may have more established relationships with larger volume device manufacturers, and as a result of such relationships, such suppliers may choose to limit or terminate their relationship with us. For example, in light of ~~the ongoing~~ silicon component ~~shortage~~ **shortages** , we expect that our suppliers' larger volume customers will be able to exert more influence to purchase components from our suppliers than us, and accordingly **,** we bear significant risk if we are unable to successfully source components for our IoT devices. Developing suitable alternate sources of supply for these devices and components may be time- consuming, difficult, and costly, and we may not be able to source these devices and components on terms that are favorable to us, or at all, which may adversely affect our ability to meet our requirements or provide our customers with needed IoT devices in a timely or cost- effective manner. Because our customers often must install IoT devices before being able to fully utilize our Connected Operations Cloud, any interruption or delay in the supply of any of these devices or components, or the inability to obtain these devices or components from alternate sources at acceptable prices and within a reasonable amount of time, would harm our ability to onboard new customers. Managing the supply of our IoT devices is complex. Insufficient supply and inventory may result in lost sales opportunities or delayed revenue, while excess inventory may harm our ~~margins~~ **results of operations** . Our third- party manufacturers and suppliers procure components for our IoT devices based on our forecasts, and we generally do not hold significant inventory for extended periods of time. These forecasts are based on estimates of future demand for our ~~products~~ **solution** , which can be adjusted based on historical trends and analysis and for overall market conditions, and we cannot guarantee the accuracy of our forecasts. In order to reduce manufacturing lead times and plan for adequate component supply, from time to time we may issue forecasts for components and products that are non- cancelable and **non-** ~~nonreturnable~~ --- **returnable** . Our inventory management systems and related supply chain visibility tools may be inadequate to enable us to forecast accurately and effectively manage supply of our IoT devices. Supply management remains an increased area of focus as we balance the need to maintain supply levels that are sufficient to ensure competitive lead times against the risk of obsolescence because of rapidly changing technology and end- customer requirements. If we ultimately determine that we have excess and obsolete supply, we may have to record a reserve for excess manufacturing costs or reduce our prices and write- down inventory, either of which in turn could result in lower margins. Alternatively, insufficient supply levels may lead to shortages that result in delayed revenue or loss of sales opportunities altogether as potential end customers are unable to access our Connected Operations Cloud and, as a result, turn to competitors' products that are readily available. Additionally, any increases in the time required to manufacture our IoT devices or ship these devices could result in supply shortfalls. If we are unable to effectively manage our supply and inventory, our results of operations could be adversely affected. We may not be able to successfully execute our strategic initiatives or meet our long- term financial goals. A significant part of our business strategy is to focus on long- term growth over short- term financial results. For example, for the fiscal year ended ~~January 28~~ **February 3** , ~~2023~~ **2024** , we increased our operating expenses to $ ~~729~~ **1, 013** . ~~3~~ **7** million as compared to $ ~~657~~ **729** . ~~7~~ **3** million for the fiscal year ended January ~~29~~ **28** , ~~2022~~ **2023** . We expect to continue making significant expenditures on sales, hiring **,** and marketing efforts **,** and expenditures to develop new features, integrations, capabilities, and enhancements to our solution and further expand the use cases addressed by our Applications. We have been engaged in strategic initiatives to expand the scope of our core business to ~~improve~~ **increase** long- term stockholder value, to improve our cost structure and efficiency, and to increase our selling efforts and develop new business, and we expect to continue making significant expenditures in pursuit of these initiatives. We may not be able to successfully execute these or other strategic initiatives or execute these initiatives on our expected timetable. If we are not successful in expanding our use cases and obtaining operational efficiencies, our business, financial condition, and results of operations could be harmed. If we are not able to develop and timely introduce new **technologies** ~~Applications and features~~ for our Connected Operations Cloud that achieve market acceptance, keep pace with technological developments, and meet existing and emerging regulatory requirements, our business, financial condition, and results of operations would be harmed. Our ability to attract new customers and increase revenue from existing customers depends in large part on our ability to enhance and improve our existing ~~Applications~~ **offerings** and to introduce compelling new Applications **, hardware,** and features that reflect the changing nature of our customers' needs and the regulations to which they are subject. The success of any enhancement to our Connected Operations Cloud depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with existing technologies and our Data Platform, and overall market acceptance. Factors outside of our control, such as developing laws and regulations, regulatory orders, competitive product offerings, and changes in demand for our solution may also materially impact the successful implementation of new Applications. Any new application that we develop may not be introduced in a timely or cost- effective manner, may contain bugs or other defects, or may not achieve the market acceptance necessary to generate significant revenue. Further, the development **and introduction** of new Applications can be difficult, time- consuming **,** and costly. There are inherent risks and uncertainties associated with offering new Applications, especially when new markets are not fully developed, related technology standards are not mature, or when the laws and regulations regarding a new application are evolving. If we are unable to successfully develop and timely introduce new Applications, enhance our existing Connected Operations Cloud to meet customer requirements, or otherwise gain market acceptance, our business, financial condition, and results of operations would be harmed. If we fail to effectively manage our growth, our business and results of operations could be harmed. We have experienced and expect to continue to experience rapid growth, which has placed, and may continue to place, significant demands on our management, operational, and financial resources and systems. In addition, we operate globally and sell **subscriptions to** our ~~products~~ **solution** to customers in many countries, and we plan to continue to expand our operations internationally in the future. We have also experienced significant growth in the number of customers, IoT devices and connected assets, and data supported by our solution and our associated infrastructure, which has placed additional demands on our resources, systems, and operations. To manage our current and anticipated future growth effectively, we must continue to maintain and enhance our finance, accounting and general business processes **,** and systems and controls, as well as our IT and security infrastructure. We must also attract, develop, and retain a significant number of qualified personnel without undermining our culture of focusing on customer success, building for the long term, adopting a growth mindset, being inclusive, and winning as a team that has been central to our growth. We will require significant expenditures and the allocation of management resources to grow and change in these areas. If we fail to successfully manage our anticipated growth, the quality of our Connected Operations Cloud may suffer, which could negatively affect our brand and reputation, harm our ability to retain and attract customers, and adversely impact our business, financial condition, and results of operations. We face intense and increasing competition, and we may not be able to compete effectively, which could reduce demand for our solution and adversely affect our business, revenue growth, and market share. The markets for the Applications and use cases for which we compete are new and rapidly evolving. Our historical competition has been specific to the individual solution sets that we target, or specific to operational groupings like fleets or facilities. For example, certain of our Applications compete with: • vendors like Omnitracs, Verizon Connect and Geotab who provide a set of tools and reports focused on driver management, GPS tracking, asset tracking, and compliance; • vendors like Lytx and SmartDrive who provide safety- focused standalone cameras and coaching tools; • vendors focusing on equipment location tracking and diagnostics like Orbcomm and ZTR, as well as customer- developed solutions for more advanced or specialized monitoring and control solutions; or • security, surveillance **,** and access control vendors like Avigilon, a Motorola Solutions company, that specialize in video analytics, AI, and network video management software. Competition in these markets is based on several factors, including the comprehensiveness of a solution; feature set breadth and extensibility; analytical capability; ease of adoption; platform reliability, security and scalability; customer support; ability to realize cost savings and return on investment; brand awareness and reputation; and the strength of sales and marketing efforts and channel partnerships. Some of our competitors may have greater financial resources, greater brand recognition, larger and more effective sales forces and marketing resources than us, as well as broader distribution networks. Large corporations, in particular, may be able to utilize their distribution networks and existing relationships to offer fleet management solutions, in addition to solutions in other verticals already being provided to customers. We expect additional competition as our market grows and rapidly changes, and we may choose to enter or expand into new markets as well. For example, we rely upon Amazon for AWS web hosting **,** and we do not currently have an alternative provider. If Amazon decided to compete with us and did not allow us to renew our commercial agreement, this may have a significant impact on our solution and would require that we allocate time and expense to setting up our Connected Operations Cloud on an alternative hosting service. We expect competition to increase as other established and emerging companies, such as Motive, Netradyne, Platform Science, and Verkada, enter the markets in which we compete, as customer requirements evolve **, as the regulatory landscape evolves,** and as new products and services and technologies are introduced. Certain of our current and potential competitors have longer operating histories, significantly greater financial, technical, marketing, distribution, professional services, or other resources and greater name recognition than we do **. Some of our competitors have engaged in, and may in the future engage in, business practices that we consider to be unlawful. For example, in January 2024, we filed a lawsuit against Motive alleging that they have engaged in patent infringement, false advertising, fraud, computer fraud and abuse, and unfair competition. Responding to this and similar misconduct may be costly and time- consuming and may distract management from other business priorities** . In addition, certain of our current and potential competitors have strong relationships with current and potential customers and extensive knowledge of industries with physical operations. As a result, our current and potential competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements or devote greater resources than we can to the development, promotion, and sale of their products and services. Moreover, certain of these companies are bundling their products and services into larger deals or subscription renewals, often at significant discounts as part of a larger sale. In addition, some current and potential competitors may offer products or services that address one or a limited number of functions at lower prices or with greater depth than our solution. Our current and potential competitors may develop and market new technologies with comparable functionality to our solution. As a result, we may experience reduced gross margins, longer sales cycles, less favorable payment terms, and loss of market share. This could lead us to decrease prices, implement alternative pricing structures, or introduce products and services available for free or a nominal price in order to remain competitive. We may not be able to compete successfully against current and future competitors, and our business, financial condition, and results of operations will be harmed if we fail to meet these competitive pressures. Moreover, current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others, including our current or future channel partners, OEM partners, integration partners, and other strategic technology companies. By doing so, these competitors may increase their ability to meet the needs of our existing or potential customers. In addition, our current or prospective indirect sales channel partners may establish cooperative relationships with our current or future competitors. These relationships may limit our ability to sell our solution through specific distributors, technology providers, and distribution channels and allow our competitors to rapidly gain significant market share. These developments could limit our ability to obtain revenue from existing and new customers. If we are unable to compete successfully against current and future competitors, our business, financial condition, and results of operations would be harmed. If we experience a security breach or incident affecting our customers' assets or data, our data or IoT devices, our Data Platform, or other systems, our Connected Operations Cloud may be perceived as not being secure **or safe** , our reputation may be harmed **,** and our business could be materially and adversely affected. As part of our business, we process, store, and transmit our customers' information and data as well as our own, including in our Data Platform, networks, and other systems, and we **also** rely on third parties that are not directly under our control to do so ~~as well~~ . We and many of our third- party partners, including our subprocessors and service providers, have security measures and disaster response plans in place that are designed to help protect our customers' data, our data, our solution, and other systems against unauthorized access. However, we cannot assure you that these security measures and disaster response plans will be adequate or effective against all security threats, including those from malicious insiders, ransomware and other malware, denial of service and other attacks, and natural disasters and other sources of disruptions to the operation of our Connected Operations Cloud or our or our third- party partners' operations, including power outages and telecommunications and other failures. Our or our third- party partners' systems and security measures may be breached ~~or~~ **,** otherwise compromised ~~or~~ **,** fail **, or be disrupted** as a result of actions by malicious insiders or third parties (including nation- state actors, such as those acting in connection with ongoing geopolitical tensions), such as intentional misconduct by computer hackers, phishing (including by impersonating us through using domain names that are confusingly similar to ours) and other means of social engineering, including fraudulent inducement of employees or customers to disclose usernames, passwords, or other sensitive information, and employee **or contractor** error or malfeasance. For example, as a result of the ongoing conflict between Russia and Ukraine, the U. S. government has issued a " Shields Up " alert and other warnings for American organizations noting the potential for Russia' s **cyberattacks** ~~cyber- attacks~~ on Ukrainian government and critical infrastructure organizations to impact organizations in the United States **. More generally, we and other American organizations may face increased risk of cyberattacks related to geopolitical tensions and events such as the Russia- Ukraine conflict and the conflict in Israel and Gaza** . If such an attack were to occur and were to impact us or our third- party partners, the relevant systems and security measures may provide inadequate protection. In addition, advances in computer capabilities, new technological discoveries or other developments may result in cyberattacks becoming more sophisticated and more difficult to detect. Any ~~such~~ breach, **incident,** compromise, or failure **of, or impacting, our systems or those of our third- party partners** could result in the loss, corruption, or unavailability of our or our customers' data, loss of intellectual property, someone obtaining unauthorized access to, modifying, exfiltrating, or otherwise processing without authorization our customers' data or our data, or disrupting or obtaining unauthorized access to our ~~Data Platform~~ **Connected Operations Cloud** or other systems. Because a security breach or incident could materialize and techniques used by malicious actors continue to evolve, we and our third- party partners may be unable to anticipate security breaches or incidents and implement adequate preventative measures. We incur ~~significant~~ costs in our efforts to detect and prevent security breaches and other security- related incidents and we expect to incur additional costs in connection with improvements to our systems and processes in ongoing efforts to prevent such breaches and incidents. In the event of a future breach or incident, we could be required to expend additional significant capital and other resources ~~in an effort~~ to prevent further breaches or incidents, which may require us to divert substantial resources. Moreover, we could be required or otherwise find it appropriate to ~~expend significant capital and other resources to respond to,~~ notify third parties of, and otherwise address the incident or breach and its root cause **. In the United States, the SEC has adopted rules for mandatory disclosure of material cybersecurity incidents experienced by public companies, as well as cybersecurity governance and risk management practices. Complying with these obligations could cause us to incur substantial costs and could increase negative publicity surrounding any incident that compromises sensitive data. Any failure or perceived failure by us to comply with these laws may also subject us to enforcement action or litigation, any of which could harm our business** . Third parties may also conduct attacks designed to temporarily deny customers access to our Connected Operations Cloud or ~~to~~ disrupt or otherwise impede such access or our Applications' performance. Our presence in the 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 or vulnerabilities impacting our solution. For example, in July 2020, the U. S. Federal Bureau of Investigation issued a private industry notification alerting industry participants to cyber- threats targeted at ELDs. **Compromise of our IoT devices could pose a health and safety hazard if a malicious actor exploits a vulnerability that allows for control of or interference with the operation of our customers' equipment.** Any actual or perceived security breach or incident affecting our Data Platform or other aspects of our systems, networks, or operations, such as ~~a~~ **any compromise of our IoT devices or any** denial of service attack or other disruption to our Connected Operations Cloud, affecting data we or our service providers process or maintain, or affecting our customers' equipment or operations could result in a loss of customer confidence in the security ~~or~~ **,** integrity **, or safety** of our solution and damage to our brand and reputation, reduce the demand for our solution, disrupt our normal business operations, require us to spend material resources to correct the breach or incident and otherwise respond to it, expose us to legal liabilities, including claims and litigation by private parties, regulatory investigations and other proceedings, fines, penalties, and indemnity obligations, and materially and adversely affect our financial condition and results of operations. These risks will increase as we continue to grow the scale and functionality of our Connected Operations Cloud and as we store, transmit, and otherwise process increasingly large amounts of information and data, which may include proprietary, sensitive or confidential data **,** or personal or identifying information. Our liability in connection with any security breaches, incidents, cyberattacks **,** or other disruptions to our solution or operations may not be adequately covered by insurance, and such events may result in an increase in our costs for insurance or insurance not being available to us on economically feasible terms, or at all. Insurers may also deny us coverage as to any future claim. Any of these results could harm our growth prospects, financial condition, business **,** and reputation. Abuse or misuse of our internal platform controls and system tools could cause significant harm to our business and reputation. In order to provide real- time support to our customers, we have created internal platform controls and system tools that are used by our employees to diagnose and correct customer issues. If our employees were to intentionally abuse these platform controls and system tools, for example, by interfering with or altering our IoT devices or our customers' connected assets and accessing our customers' data, or otherwise violate company policies, our customers could be significantly harmed. For example, our employees have historically had broad access to customers' video footage, and although we have implemented greater access controls over time, such controls may not ensure that our employees' use of customers' video footage is in all cases appropriate. Additionally, ~~certain~~ **some** of our Applications have features allowing them to control large industrial assets, and **interact with the data port of vehicles through their ignition line;** any abuse or misuse of these capabilities could cause substantial disruption or damage to our customers. Any abuse or misuse by our employees of our internal platform controls and system tools, even if inadvertent, could result in potential legal liability and reputational damage to both our customers and us. Accordingly, any improper conduct, abuse or misuse, intentional or otherwise, of our platform controls and system tools could significantly and adversely harm our business and reputation. We are continuing to implement access controls to limit employee access to our platform controls and system tools in an effort to further improve security and reduce the risk of human error or malfeasance. If it became necessary to further restrict the availability or use of our platform controls and system tools by our employees in response to any abuse or misuse, our ability to deliver high- quality and timely customer support could be harmed. Business disruptions or performance problems associated with our technology and infrastructure, including interruptions, delays, or failures in service from our third- party data center hosting facilities and other third- party services, could adversely affect our results of operations. Continued adoption of our solution depends in part on the ability of our existing and potential customers to access our solution within a reasonable amount of time. We have experienced, and may in the future experience, disruptions, data loss, outages, and other performance problems with our solution and infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, or ~~other~~ security- related incidents. If our solution is unavailable or if our users and customers are unable to access our solution within a reasonable amount of time, or at all, we may experience a decline in renewals, damage to our brand, or other harm to our business. The impact upon our customers may be further heightened by the nature of our solution connecting to their physical infrastructure, which may impede or harm their fleet, equipment, sites **,** or other physical operations. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition, and results of operations could be adversely affected. A significant portion of our critical business operations are concentrated in the United States and are supported by third- party hosting facilities located in Oregon. We are a highly automated business, and a disruption or failure of our systems, or of the third- party hosting facilities and other third- party services that we use, could cause delays in completing sales and providing services. For example, from time to time, our data center hosting facilities have experienced outages. The causes for such disruptions or failures could also include a major earthquake, blizzard, fire, cyber- attack, act of terrorism, or other catastrophic event, ~~or~~ a decision by one of our third- party service providers to close facilities that we use without adequate notice, or other unanticipated problems with the third- party services that we use, including a failure to meet service standards. Interruptions or performance problems with either our technology and infrastructure or our data center hosting facilities could, among other things: • result in the destruction or disruption of any of our critical business operations, controls, or procedures or **IT** ~~information technology~~ systems; • severely affect our ability to conduct normal business operations; • result in a material weakness in our internal control over financial reporting; • cause our customers to terminate their subscriptions; • result in our issuing credits or paying penalties or fines; • harm our brand and reputation; • adversely affect our renewal rates or our ability to attract new customers; or • cause our solution to be perceived as not being secure. Any of the above could adversely affect our business, financial condition, and results of operations. We rely on third- party software for certain essential financial and operational services, and a failure or disruption in these services could materially and adversely affect our ability to manage our business effectively. We rely on third- party software to provide many essential financial and operational services to support our business, including enterprise resource planning, customer relationship management, and human capital management. Many of these vendors are less established and have shorter operating histories than traditional software vendors. Moreover, many of these vendors provide their services to us via a cloud- based model instead of software that is installed on our premises. As a result, we depend upon these vendors to provide us with services that are always available and are free of errors or defects that could cause disruptions in our business processes. Any failure by these vendors to do so, or any disruption in our ability to access the internet, would materially and adversely affect our ability to effectively manage our operations. If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, changing regulations, or changing customer needs, requirements or preferences, our Connected Operations Cloud may become less competitive. The industries in which we operate are subject to rapid technological change. The introduction of new technologies will continue to have a significant effect on competitive conditions to which we are subject. In order to continue to provide value for our customers, we must offer innovative Applications that allow our customers to track and manage their fleets, equipment, sites **,** and other connected assets on a timely basis. Certain technologies and industry developments, such as autonomous vehicles with closed software ecosystems, may negatively impact our ability to compete within certain industries. Even if such software ecosystems were not entirely closed to our solution, autonomous vehicles may reduce the overall demand for vehicular Applications that provide safety and compliance functionality. If we are unable to develop new Applications that provide utility to our customers and provide enhancements and new features for our existing Applications that keep pace with rapid technological and regulatory change, our revenues and results of operations could be adversely affected. To keep pace with technological and competitive developments, we have in the past invested, and may continue to invest, in complementary businesses, technologies, products, services, and other assets that expand the Applications that we can offer our customers. We may make these investments without being certain that they will result in products or enhancements that will be accepted by existing or prospective customers or that will achieve market acceptance. If we are unable to successfully enhance our Connected Operations Cloud to meet evolving customer requirements, increase adoption and use cases of our solution, and develop new Applications and features, then our business, financial condition, and results of operations would be adversely affected. We rely on industry standards and technology developed and maintained outside of our control. For example, many of our Applications depend on cellular, GPS, and Wi- Fi technology and are built upon such technologies. We do not control the development of such technologies, and so it may be possible in the future that the components of the underlying technologies that interface with or are built into our solution develop in ways that are not beneficial to our growth and technological capabilities. If these technologies do not continue to be improved or are replaced with alternative technologies that we do not effectively adapt to, our ability to innovate may be diminished and our market appeal and value to customers may be harmed. Our Connected Operations Cloud relies on cellular and GPS networks and any disruption, failure **,** or increase in costs of these networks could adversely affect the functionality of our solution and impede our profitability and harm our results of operations. Two critical links in our current ~~applications~~ **Applications** are between IoT devices and GPS satellites and between IoT devices and cellular networks, which allow us to obtain location and other operational data and transmit that data to our Data Platform. Service outages occurring in the cellular network upon which our Connected Operations Cloud relies **or lack of coverage in certain locations** have affected and may in the future adversely affect the functionality of our solution. Moreover, technologies that rely on GPS depend on the use of radio frequency bands, and any modification of the permitted uses of these bands may adversely affect the functionality of GPS and, in turn, our solution. Additionally, increases in the fees charged by cellular carriers for data transmission, changes to the conditions by which our cellular carriers provide service on their or their partners' networks, or changes in the cellular networks themselves, such as a cellular carrier discontinuing support of the network currently used by our or our customers' IoT devices, could increase our costs and impact our profitability. Mobile carriers regularly discontinue radio frequency technologies as they become obsolete. If we are unable to design our ~~solutions~~ **solution** into new technologies ~~such as 5G and satellite communications~~, our business, financial condition, and results of operations could be harmed. If we do not develop IoT devices that are compatible with third- party hardware, software **,** and infrastructure, including the many evolving wireless industry standards, our ability to introduce and sell new subscriptions to access our Connected Operations Cloud could suffer. In order to support customers' adoption of our Connected Operations Cloud, we develop IoT devices that are compatible with a wide variety of hardware, software **,** and infrastructure. Not only must we ensure our IoT devices are compatible with **third- party software** applications and technologies developed by our partners and vendors, but we must also ensure that our IoT devices can interface with third- party hardware, software **,** or infrastructure that our customers may choose to adopt. To the extent that a third party were to develop software applications or IoT devices that compete with ours, that provider may choose not to support our solution. In particular, our ability to accurately anticipate evolving wireless technology standards and ensure that our IoT devices comply with these standards in relevant respects is critical to the functionality of our IoT devices. Any failure of our IoT devices to be compatible or comply with the hardware, software, or infrastructure — including wireless communications standards — utilized by our customers could prevent or delay their implementation of our Connected Operations Cloud and require costly and time- consuming engineering changes. Additionally, if an insufficient number of wireless operators or subscribers adopt the standards to which we design our IoT devices, our ability to introduce and sell subscriptions to our Connected Operations Cloud would be harmed. The competitive position of our Connected Operations Cloud depends in part on its ability to operate with a wide variety of data sources and infrastructure, and if we are not successful in maintaining and expanding the compatibility of our ~~solutions~~ **solution** with such data sources and infrastructure, our business, financial condition, and results of operations could be adversely impacted. The competitive position of our Connected Operations Cloud depends in part on its ability to operate with a wide array of physical sensors and devices — including IoT devices manufactured by us and by third parties, other software and database technologies, and communications, networking, computing **,** and other infrastructure. As such, we must continuously modify and enhance our Connected Operations Cloud to be compatible with evolving hardware, software, and infrastructure that are used by our current and potential partners, vendors **,** and customers. In the future, one or more technology companies may choose not to support the interoperation of their hardware, software, or infrastructure with solutions such as ours, or our ~~solutions~~ **solution** may not otherwise support the capabilities needed to operate with such hardware, software, or infrastructure. We intend to facilitate the compatibility of our Connected Operations Cloud with a wide variety of hardware, software, and infrastructure by maintaining and expanding our business and technical relationships. If we are not successful in achieving this goal, our business, financial condition, and results of operations could be adversely impacted. Our ability to grow our business is dependent in part on strategic relationships we develop and maintain with third parties. We believe that our ability to increase our sales depends in part on maintaining and strengthening relationships with parties such as channel partners, OEM partners, integration partners, **installation partners, financing partners,** and other strategic technology companies **or technology partners** . Once a relationship is established, we likely will dedicate significant time and resources to it in an effort to advance our business interests, and there is no assurance that any strategic relationship will achieve our business purposes or that the resources we use to develop the relationship will be cost- effective. Parties with whom we establish strategic relationships also work with companies that compete with us. We have limited, if any, control as to whether these parties devote adequate resources to our strategic relationships **or adequately deliver on their responsibilities or commitments, including to us or our customers** . Further, companies with whom we maintain strategic relationships may de- emphasize their dealings with us or become competitors in the future. We also have limited, if any, control as to other business activities of these parties **,** and we could experience reputational harm because of our association with such parties if they fail to execute on business initiatives, are accused of breaking the law **,** or suffer reputational harm for other reasons. All of these factors could materially and adversely impact our business and results of operations. We may not be able to maintain and expand our business if we are not able to hire, retain **,** and manage qualified personnel, and in particular, our key personnel. Our success in the future depends in part on the continued contribution of our executive, technical, engineering, sales, marketing, operations **,** and administrative personnel, particularly Sanjit Biswas, our Chief Executive Officer and co- founder, and John Bicket, our Chief Technology Officer and co- founder, as well as our ability to attract and retain additional qualified management and employees. Recruiting and retaining skilled personnel in the industries in which we operate, including engineers and other technical staff and skilled sales and marketing personnel, is highly competitive. In addition, the success of any future acquisitions depends in part on our retention and integration of key personnel from the acquired company or business. In response to competition, labor shortages, elevated inflation rates **,** and other market conditions, we may need to adjust employee cash compensation, which would affect our operating costs and our margins. In addition, we have adjusted and may in the future need to adjust employee equity compensation as a result of these factors, including by issuing retention grants and other additional equity awards, which would affect our outstanding share count, cause dilution to existing shareholders, and affect our results of operations. Although we may enter into employment agreements with members of our senior management and other key personnel, these arrangements are at- will and do not prevent any of our management or key personnel from leaving the company. If we are not able to attract or retain qualified personnel in the future, or if we experience delays in hiring required personnel, particularly qualified technical and sales personnel, we may not be able to maintain and expand our business. Further, we rely in part on direct sales employees to sell **subscriptions to** our ~~products~~ **solution** in the United States and internationally. We are focused on increasing the size and effectiveness of our sales force, marketing activities, sales management team **,** and corporate infrastructure, as well as exploring further relationships with third- party resellers and channel partners. We intend to continue increasing the size of our current direct sales organization and to more efficiently leverage our expanded sales force to increase sales coverage for our solution. We cannot assure you that we will be able to attract and retain the additional personnel necessary to grow and expand our business and operations. Further, we expect that the onboarding of new sales and marketing personnel **, including new sales and marketing team leaders,** will take considerable time to enable new employees to ramp up to full productivity. If we are unable to expand our sales force at sufficiently high levels and onboard new sales personnel successfully, our ability to attract new customers may be harmed, and our business, financial condition **,** and results of operations would be adversely affected. In addition, any failure to adequately train our employees on how to communicate the uses and benefits of our solution to potential and existing customers may prevent us from increasing our market share and revenue. If we fail to identify, attract, retain **,** and motivate these highly skilled personnel, we will be unable to achieve our growth expectations, and our business, financial condition, and results of operations may be harmed. To attract and retain key personnel, we use various measures, including an equity incentive program. As we continue to mature, the incentives to attract, retain, and motivate employees provided by our programs or by future arrangements may not be as effective as in the past. We have numerous current employees who hold equity in our company or whose equity awards were or became substantially vested upon the completion of our initial public offering (" IPO "). As a result, it may be difficult for us to retain and motivate these employees, and the value of their holdings could affect their decisions about whether or not they continue to work for us. Further, our ability to attract, retain, and motivate employees may be adversely affected by actual or expected declines in our stock price. If we issue significant equity to attract employees or to retain our existing employees, we will incur substantial additional stock- based compensation expense and the ownership of our existing stockholders would be further diluted. If we cannot maintain our company culture, our success and our business and competitive position may be harmed, and our attempts to operate under a flexible work model may not be successful and may adversely impact our business. We believe that our success to date has been driven in large part by our company' s **values** ~~cultural principles~~ of focusing on customer success, building for the long term, adopting a growth mindset, being inclusive **,** and winning as a team. As we mature, we may find it difficult to maintain these important aspects of our culture, especially in a flexible work environment in which we have limited experience operating. It is possible that continued widespread remote or flexible work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity of key personnel and other employees necessary to conduct our business, or otherwise cause operational failures. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As a result, if we fail to maintain our company culture, our business and competitive position may be harmed. If we are not able to maintain and enhance our brand, our business, financial condition, and results of operations may be harmed. We believe that maintaining and enhancing our reputation as a differentiated and category- defining company is critical to our relationships with our existing customers and to our ability to attract new customers. We also believe that the importance of brand recognition will increase as competition in our market increases, and that brand and reputation are particularly important in the physical operations industry given the potential impact of any failure of our solution on the physical operations of our customers. The successful promotion of our brand depends on a number of factors, including our and our channel partners' marketing efforts, our ability to continue to develop high- quality solutions **,** and our ability to successfully differentiate our Applications from those of competitors. In addition, independent industry analysts provide reviews of our solution and our competitors' products, which could influence the perception of the relative value of our Connected Operations Cloud in the marketplace. If these reviews are negative, or less positive as compared to those of our competitors' products, our brand may be harmed. The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, as we expand into new markets, and as more sales are generated through our channel partners. Our brand promotion activities may not generate customer awareness or yield increased revenue, and even if they do, any increased revenue may not offset the expenses we incur in building our brand. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract potential customers, any of which would harm our business, financial condition, and results of operations. Issues **and uncertainty** in the **development, deployment, and** use of AI in our solution **and by our customers** may ~~result in reputational~~ **subject us to liability and may** harm ~~or~~ **our** ~~liability~~ **reputation and operating results**. AI is enabled by or integrated into some of our existing ~~solutions~~ **Applications** and ~~may~~ **systems and we expect that it will** play an increased role in our future offerings. As with many developing technologies, AI presents risks and challenges that could affect its further development, adoption, and use, and therefore our business. AI algorithms may be flawed. Datasets may be insufficient or of poor quality or contain biased information. Inappropriate or controversial data practices by data scientists, engineers, and end users of our systems could impair the acceptance of AI solutions. If the recommendations, forecasts, content **,** or analyses that AI applications assist in producing are or are alleged to be deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm. **Our, or our vendors', use of AI technologies could lead to the unauthorized disclosure of sensitive, proprietary, or confidential information and could lead to new potential cyberattack methods for third parties or be used to increase the frequency or intensity of cyberattacks. The impact of AI technology on intellectual property ownership and licensing rights, including copyright, has not been fully addressed by U. S. courts or other federal or state laws or regulations, and the use of third- party AI technologies in connection with our solution and operations may result in exposure to claims of copyright infringement or other intellectual property misappropriation, or a reduced ability to protect our intellectual property.** Some AI scenarios may also present ethical issues. Though our business practices are designed to **help** mitigate ~~many of~~ these risks, if we enable or offer AI ~~solutions~~ **features** that are controversial because of their perceived or real impact on human rights, privacy, employment, or other social issues, we may experience brand or reputational harm. Additionally, potential government regulation related to AI use and ethics may expose us to legal liability and / or increase the burden and cost of research and development in this area, and failure to properly remediate AI usage or ethics issues may cause public confidence in AI to be undermined, which could slow adoption of AI in our solution. For example, the European ~~Commission has proposed a legal framework on~~ **Union Artificial Intelligence Act (" EU** AI ~~that~~ **Act "), which** is ~~currently going through~~ **in final form, awaiting formal approval by** the **European Council and** ~~EU legislative process. If~~ the European Parliament ~~adopts this proposal in full or in part~~ , ~~it~~ will ~~introduce~~ **impose** a series of legal and technical obligations and ~~potential~~ restrictions on companies' use **and development** of AI **. Under the proposed EU AI Act, fines can reach up to the greater of € 30 million and 6 % of global annual turnover. Other countries, including the United States, have begun considering AI regulations. For example, at the federal level, the Biden Administration issued an Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence in October 2023 that, among other things, articulates new Standards for AI safety and security; the Federal Trade Commission adopted streamlined procedures for AI- related investigations in November 2023; and several bills involving AI have been introduced in Congress. Several states have also established study commissions that could lead to the regulation of AI at the state level. In addition, our competitors, customers, or other third parties may incorporate AI more successfully than us, and their AI solutions may achieve higher market acceptance than ours, which may result in us failing to recoup our investments in developing AI-powered offerings. Uncertainty around new and emerging AI technologies, such as generative AI, may require additional investment in the development of these technologies. Any challenges in deploying our AI- based technologies, or the ability of our competitors to do so more effectively, may impair our ability to compete effectively, result in reputational harm, and have an adverse impact on our operating results**. We typically provide service- level commitments under our subscription agreements. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service or face subscription termination with refunds of prepaid amounts, which would lower our revenue and harm our reputation, business, financial condition, and results of operations. Our subscription agreements typically contain service-level commitments, and our agreements with larger customers may carry higher service- level commitments than those provided to customers generally. If we are unable to meet the stated service- level commitments, including failure to meet the uptime and response time requirements under our customer subscription agreements, we may be contractually obligated to provide these customers with service credits, which could significantly affect our revenue in the periods in which the failure occurs and the credits are applied. We could also face subscription terminations and a reduction in renewals, which could significantly affect both our current and future revenue. We offer multiple tiers of subscriptions to our ~~products~~ **solution** and, as such, our service-level commitments will increase if more customers choose higher tier subscriptions. ~~Any~~ **Although our historical service credits have not been significant, any future** service- level failures could also damage our reputation, which could also adversely affect our business, financial condition, and results of operations. A real or perceived defect, security vulnerability, error, or performance failure in our Connected Operations Cloud could cause us to lose revenue, damage our reputation, and expose us to liability, and our product liability insurance may not adequately protect us. Our Connected Operations Cloud is inherently complex and, despite extensive testing and quality control, has in the past contained and may in the future contain defects or errors, especially when features and Applications are **in testing phases,** first introduced, or not ~~perform~~ **performing** as contemplated. These defects, security vulnerabilities, errors, performance or related failures could cause damage to our reputation, loss of customers or revenue, loss of applicable regulatory certifications, order cancellations, service terminations, or lack of market acceptance of our solution. Our customers within the physical operations industry are particularly sensitive to the reliability of our ~~products~~ **solution** because a failure or defect in our solution could have a significant impact on their business or employees, including leading to death, serious bodily injury, or noncompliance with applicable regulations. For example, customers of our Applications for connected sites may have heightened expectations in connection with the security provided by such Applications, given our access to video feeds of their work environments. Moreover, because customers use ~~certain~~ **some** of our Applications for critical compliance functions, defects or errors in such Applications may expose customers to liability or regulatory enforcement. As the use of our solution, including features and Applications that were recently developed, continues to expand to even more sensitive, secure, or mission- critical uses by our customers, we will be subject to increased scrutiny, potential reputational risk, or potential liability should our solution fail to perform as intended in such deployments. We have in the past needed, and may in the future need, to issue corrective releases to fix these defects, security vulnerabilities, errors or performance failures, which could require us to allocate significant research and development and customer support resources to address these problems. When required to correct device bugs or to implement proactive firmware updates to our IoT devices, we have often implemented over- the- air firmware updates to devices that are deployed in the field. If such updates do not perform as anticipated, they may prolong interruptions and performance problems and otherwise impact our reputation and relationship with our customers. Additionally, an improperly configured or deployed update, or our failure to adequately develop and deploy updated technology, may cause performance or security issues or disable certain devices in the field, as has occurred in the past. Such an error could require us to fix or replace such devices and may harm our relationship with the impacted customer or customers. **Fixing or replacing such devices is costly and would have an adverse impact on our results of operations.** In addition, any data that we license from third parties for ~~potential~~ use in our solution may contain errors or defects, which could negatively impact the analytics that our customers perform on or with such data. This may have a negative impact on how our solution is perceived by our current and potential customers and could materially damage our reputation and brand. The sale and support of our solution entail the risk of liability claims, which could be substantial in light of the use of our solution in enterprise- wide environments. We may not have adequate contractual protections in place with our customers, users, joint- design manufacturers, third- party vendors, service providers, and partners to protect against costs and liabilities resulting from defects in our ~~products~~ **solution** or components therein. Any limitation of liability, warranty disclaimers, or indemnity provisions that may be contained in these agreements may not be enforceable ~~or~~ **,** adequate **,** or effective, including as a result of existing or future applicable laws or unfavorable judicial decisions, and they may not function to limit our liability or otherwise protect against costs arising from defects or errors, regulatory enforcement, or otherwise. In addition, our insurance against this liability may not be adequate to cover a potential claim and may be subject to exclusions, including the possibility that the insurer will deny coverage as to any future claim or exclude from our coverage such claims in policy renewals. The denial of our claims by our insurers or the successful assertion of claims by others against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could have a material adverse effect on our business, financial condition, results of operations **,** and reputation. Further, there are no assurances that adequate product liability insurance will continue to be available to us in the future on commercially reasonable terms or at all. Challenges in implementation or incorrect use of, or failure to update, our solution could result in customer dissatisfaction and negatively affect our business and growth prospects. Our solution is often operated in large scale, distributed IT environments, including across a wide array of IoT devices and connected assets. Implementing our ~~solutions~~ - **solution** in such environments can be a complex and lengthy process, particularly for certain of our customers who are less experienced with respect to the implementation of cloud- based platforms such as ours. On occasion, some of our customers and partners have encountered challenges in implementing our solution, leading them to require training and experience in the proper use of and the benefits that can be derived from our solution to maximize its potential. If our solution is not implemented, used, or updated appropriately, then inadequate performance, exposure of customer data and / or security vulnerabilities can result. Because our customers rely on our software and hardware to manage a wide range of operations, the incorrect implementation or use of, or failure to update, our software and hardware or our failure to train customers on how to use our solution productively may result in customer dissatisfaction, negative publicity and litigation, which may adversely affect our reputation and brand. Failure to effectively provide training and implementation services to our customers could result in lost opportunities for follow- on sales to these customers and decreased subscriptions by new customers, which would adversely affect our business and growth prospects. 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 the risk of product liability and warranty claims if our Connected Operations Cloud and our IoT devices actually or allegedly fail to perform as expected or result, or are alleged to result, in bodily injury and / or property damage. Certain technologies incorporated in our IoT devices, such as lithium batteries ~~and~~ **,** in- cab audio alerts **, and immobilizing technologies** , may increase the risk profile of such devices. While we maintain what we believe to be reasonable 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, we generally provide our customers a hardware warranty for the entire term of their subscription to our Connected Operations Cloud. If any of our IoT devices are, or are alleged to be, defective, we may be required to participate in recalls and exchanges of such devices or customer claims against us. The future cost associated with providing product warranties and / or bearing the cost of repair or replacement of our ~~products~~ **solution** , or a refund of customer expenses, could exceed our historical experience and have a material adverse effect on our business, financial condition, and results of operations. Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges. A component of our growth strategy involves the further expansion of our operations and customer base internationally. Customer accounts outside the United States generated ~~11~~ **12** % of our revenue for the fiscal year ended ~~January 28~~ **February 3** , ~~2023~~ **2024** . We are continuing to adapt to and develop strategies to address international markets, but there is no guarantee that such efforts will have the desired effect. For example, we anticipate that we will need to establish relationships with new partners in order to expand into certain countries, and if we fail to identify, establish, and maintain such relationships, we may be unable to execute on our expansion plans. We intend to increase the scope of our international activities as we continue to pursue opportunities in existing and new international markets, which will require significant dedication of management attention and financial resources. Our current and future international business and operations involve a variety of risks, including: • challenges in recruiting, training and retaining qualified employees, particularly in new markets **where** ~~in which~~ we have not historically operated; • slower than anticipated availability and adoption of our solution, or of cloud technologies in general, by potential customers in our target geographies; • changes in a specific country' s or region' s political, economic, or legal and regulatory environment, including geopolitical disputes, pandemics, tariffs, export quotas, custom duties, trade disputes, tax laws and treaties, particularly due to economic tensions and trade negotiations or other trade restrictions, trade wars, or long- term environmental risks; • general economic conditions in each country or region in which we operate; • the need to adapt and localize our solution **and go- to- market practices** for specific countries; • greater difficulty collecting accounts receivable, longer sales and payment cycles, and different pricing environments; • new, evolving, potentially inconsistent **,** and often more stringent regulations relating to privacy, data protection and data security and the unauthorized use of, or access to, commercial, biometric, and / or personal information, particularly in Europe; • differing labor regulations, including with respect to wage and hour laws, that make it harder to do business in certain regions ~~such as Europe~~ ; • challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction; • difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems; • increased travel, real estate, infrastructure, legal **,** and compliance costs associated with international operations; • increased financial accounting and reporting burdens and complexities; • currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future; • limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries; • new and different sources of competition; • laws and business practices favoring local competitors or general market preferences for local vendors; • limited or insufficient intellectual property protection or difficulties obtaining, maintaining, protecting, or enforcing our intellectual property rights, including our trademarks and patents, or obtaining necessary intellectual property licenses from third parties; • political instability, geopolitical disputes such as the conflict between Russia and Ukraine **, the conflict in Israel and Gaza,** or increasing tensions between China and Taiwan, or terrorist activities; • ~~COVID- 19 or any other~~ pandemics or epidemics that could result in decreased economic activity in certain markets, decreased use of our **solution** ~~products and services~~ , or a decrease in our ability to import, export, or sell **subscriptions to** our ~~products~~ **solution** and services to existing or new customers in international markets; • exposure to liabilities under anti- corruption and anti- money laundering laws, including the U. S. Foreign Corrupt Practices Act (" FCPA "), U. S. domestic bribery laws, the UK Bribery Act **of 2010** , and similar laws and regulations in other jurisdictions; • burdens of complying with U. S. and non- U. S. export control laws and regulations, including Export Administration Regulations (" EAR "); ~~and~~ • burdens of complying with laws and regulations related to taxation; and **•** regulations, adverse tax burdens, and foreign exchange controls that could make it difficult to repatriate earnings and cash. If we invest substantial time and resources to further expand our international operations and are unable to do so successfully and in a timely manner, our business and results of operations will suffer. Risks Related to Our Intellectual Property Failure to identify and protect our proprietary technology and intellectual property rights could substantially harm our business and results of operations. Our success is tied to our ability to identify and protect our proprietary technology, methodologies, know- how, and branding. We rely on a combination of trademarks, copyrights, patents, trade secrets and other intellectual property laws, contractual restrictions, and technical organizational security and confidentiality procedures to establish and protect our proprietary rights. However, the steps we take to protect our intellectual property rights, including our efforts ~~to date~~ in building out our patent portfolio **or asserting our intellectual property rights against other parties** , may be limited or inadequate. For instance, we will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights, or unauthorized or unlawful use of our software, technology **,** or intellectual property rights. We also cannot guarantee that our intellectual property rights will provide competitive advantages to us, that our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes will be unobstructed by our relationships with third parties, that any of our pending or future patent applications will have the coverage originally sought, or that we will not lose the ability to assert our intellectual property rights against or to license our technology to others and collect royalties or other payments. Further, the laws of some countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. In addition, despite our precautions, it may be possible for unauthorized third parties to copy our ~~products~~ **solution** , use information that we regard as proprietary to create offerings that compete with ours, or infringe upon or misappropriate our intellectual property **. Some of our competitors have engaged in, and may in the future engage in, business practices that we consider to be unlawful. For example, in January 2024, we filed a lawsuit against Motive alleging that they have engaged in patent infringement, false advertising, fraud, computer fraud and abuse, and unfair competition. Responding to this and similar misconduct may be costly and time- consuming and may distract management from other business priorities** . There is also no guarantee that third parties will abide by the terms of our agreements or that we will be able to adequately enforce our contractual rights. We may also be unable to prevent third parties from acquiring or using domain names or trademarks that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights, thereby impeding our ability to build brand identity and possibly leading to potential confusion in the market and damage to our reputation and business. If we fail to identify and protect our intellectual property rights adequately, our competitors or other third parties may gain access to our proprietary technology and our business may be harmed. In addition, defending our intellectual property rights might entail significant resources and expenses. There can be no assurance that our patents are enforceable or otherwise will be upheld as valid, or that our patent applications will be granted. Any patents, trademarks, or other intellectual property rights that we have obtained or may obtain may be challenged by others or invalidated, circumvented, abandoned **,** or lapse. In addition, there can be no assurance that our patent applications will result in issued patents. Even if we continue to seek patent protection in the future, we may be unable to obtain further patent protection for our technology. There can also be no assurance that our patents or application will be equally enforceable or otherwise protected by the laws of non- U. S. jurisdictions. In addition, given the costs, effort, risks **,** and downside of obtaining patent protection, including the requirement to ultimately disclose the invention to the public, we may choose not to seek patent protection for certain innovations; however, such patent protection could later ~~on~~ prove to be important to our business. Further, any patents may not provide us with competitive advantages, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Confidentiality agreements with employees and others may not adequately **protect our intellectual property rights and proprietary technology or** prevent **the** disclosure of trade secrets ~~and other proprietary information~~ . To protect our trade secrets, confidential information and distribution of our proprietary information, we generally enter into confidentiality, non- compete, proprietary, and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other parties. We also have entered into confidentiality agreements to protect our confidential information delivered to third parties for research and other purposes. No assurance can be given that these agreements will be effective in controlling access to trade secrets, confidential information and distribution of our proprietary information, especially in certain U. S. states and ~~countries~~ **non- U. S. jurisdictions** that are less willing to enforce such agreements. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our ~~products~~ **solution** . In addition, others may independently discover our trade secrets and confidential information, and in such cases we could not assert any trade secret rights against such parties. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions, and failure to obtain or maintain trade secret protection, or our competitors' obtainment of our trade secrets or independent development of unpatented technology similar to ours or competing technologies, could adversely affect our competitive business position. In order to protect our intellectual property rights and proprietary technology, we may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time- consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our intellectual property rights and proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management' s attention and resources, could delay further sales or the implementation of our ~~products~~ **solution** , impair the functionality of our ~~products~~ **solution** , delay introductions of new products, result in our substituting inferior or more costly technologies into our ~~products~~ **solution** , or injure our brand and reputation. We may become subject to additional intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business. Third parties have claimed and may in the future claim that our operations and Applications infringe their intellectual property rights, and such claims have resulted and may result in legal claims against our customers, our channel partners, and us. These claims **, as well as claims that we may bring against other parties,** may damage our brand and reputation, harm our customer and channel partner relationships, and result in liability for us. We expect the number of such claims will increase as the number of Applications and the level of competition in our market grows, the functionality of our solution overlaps with that of other products and services, and the volume of issued patents and patent applications continues to increase **. For example, in January 2024, we filed a lawsuit against Motive alleging that they have engaged in patent infringement, false advertising, fraud, computer fraud and abuse, and unfair competition. Motive responded by filing a copycat complaint alleging that Samsara has engaged in patent infringement, false advertising, and trade secret misappropriation, among other things. Motive is currently seeking unspecified damages and an injunction. The scope and outcome of this litigation are uncertain. Responding to this matter and similar matters may be costly and time- consuming and may distract management from other business priorities** . We have agreed in certain customer and channel partner contracts to indemnify customers and channel partners, and have accepted tenders for indemnification from certain of such customers, for expenses or liabilities they incur as a result of third- party intellectual property infringement claims associated with our solution. To the extent that any claim arises as a result of third- party technology we use in our solution, we may be unable to recover from the appropriate third party any expenses or other liabilities that we incur. Companies in the software and technology industries, including some of our current and potential competitors, own patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, many of these companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them than we do. Furthermore, patent holding companies, non- practicing entities, and other patent owners that are not deterred by our existing intellectual property protections may seek to assert patent claims against us. Third parties may assert patent, copyright, trademark, or other intellectual property rights against us, our channel partners, our technology partners, or our customers. We have received notices and been subject to litigation (and we may be subject to litigation in the future) that claims we have misappropriated, misused, or infringed other parties' intellectual property rights, and, to the extent we gain greater market visibility, we face a higher risk of being the subject of intellectual property infringement claims, which is not uncommon with respect to IoT devices and the enterprise software market. These and other possible disagreements **, including claims that we may bring against other parties,** could lead to delays in the research, development **,** or commercialization of our systems, or could require or result in costly and time- consuming litigation that may not be decided in our favor. Any such event could materially and adversely affect our financial condition and results of operations. There may be third- party intellectual property rights, including issued or pending patents, that cover significant aspects of our technologies or business methods. In addition, if we acquire or license technologies from third parties, we may be exposed to increased risk of being the subject of intellectual property infringement claims due to, among other things, our lower level of visibility into the development process with respect to such technology and the care taken to safeguard against infringement risks. These claims may damage our brand and reputation, harm our customer relationships, and create liability for us. Any intellectual property claims, with or without merit, could be very time- consuming, could be expensive to settle or litigate, and could divert our management' s attention and other resources. These claims could also subject us to significant liability for damages, potentially including treble damages if we are found to have willfully infringed patents or copyrights, and may require us to indemnify our customers and channel partners for liabilities they incur as a result of such claims. These claims could also result in our having to stop importing, making, offering to sell, selling, or using technology found to be in violation of a third party' s rights. We might be required to seek a license for the intellectual property, which may not be available on reasonable terms or at all. Even if a license were available, we could be required to pay significant royalties, which would increase our operating expenses. Alternatively, we could be required to develop alternative non- infringing technology, which could require significant time, effort, and expense, and may affect the performance or features of our solution. If we cannot license or develop alternative non- infringing substitutes for any infringing technology used in any aspect of our business, we would be forced to limit or stop sales of our solution and may be unable to compete effectively. Any of these results would adversely affect our business operations and financial condition. Our exposure to risks associated with the use of intellectual property may be increased as a result of any future acquisitions we may complete. Our exposure to risks associated with the use of intellectual property may be increased as a result of any future acquisitions we may complete, as we will have a lower level of visibility into the development process with respect to acquired technology or the care taken to safeguard against infringement risks. Third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to our acquisition. Any of these results would harm our business, results of operations and financial condition. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. Our use of open source software could negatively affect our ability to sell subscriptions to our Connected Operations Cloud and subject us to possible litigation. Our Connected Operations Cloud incorporates open source software, and we expect to continue to incorporate open source software in our Connected Operations Cloud in the future. Many licenses applicable to open source software have not been interpreted by courts, and there is a risk that any open source licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our solution or other products we may develop in the future. We also rely upon third- party, non- employee contractors to perform certain development services on our behalf, and we cannot be certain that such contractors will comply with our review processes or not incorporate software code made available under certain open source licenses into our proprietary code base. We may be found to have ~~used~~ **incorporated** open source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies and procedures. For example, certain kinds of open source licenses may require that any person who creates a product or service that contains, links to, or is derived from software that was subject to an open source license must also make their own product or service subject to the same open source license. If these requirements are found to apply to our products and we fail to comply with them, we may be subject to certain requirements, including requirements that we offer additional portions of our ~~solutions~~ - **solution** for no cost, that we make available additional source code for modifications or derivative works we create based upon, incorporating or using the open source software, and that we license such modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our products that contained the open source software, or required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. In addition, there have been claims challenging the ownership rights in open source software against companies that incorporate open source software into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. Moreover, we cannot assure you that our processes for controlling our use of open source software in our solution will be effective. In any of these events, we, our customers, and our channel partners could be required to seek licenses from third parties in order to continue offering our ~~products~~ **solution** , to re- engineer our ~~products~~ **solution** , or to discontinue the sale of **subscriptions to** our ~~products~~ **solution** in the event re- engineering cannot be accomplished on a timely basis. We, our customers, and our channel partners may also be subject to suits by parties claiming infringement, misappropriation **,** or violation due to the reliance by our ~~solutions~~ - **solution** on certain open source software, and such litigation could be costly for us to defend or subject us to an injunction. Some open source projects provided on an " as- is " basis have known vulnerabilities and architectural instabilities which, if used in our ~~product~~ **solution** and not properly addressed, could negatively affect the security or performance of our ~~product~~ **solution** . Any of the foregoing could require us to devote additional research and development resources to re- engineer our ~~solutions~~ - **solution** , could result in customer dissatisfaction, and may adversely affect our business, financial condition, and results of operations. Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, misappropriation, violation, and other losses. Our agreements with customers, channel partners **,** and other third parties have in some cases included indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation or violation, damages caused by us to property or persons, or other liabilities relating to or arising from our solution or other contractual obligations. Large indemnity payments could harm our business, financial condition, and results of operations. Pursuant to certain agreements, we do not have a cap on our liability, and any payments under such agreements would harm our business, financial condition, and results of operations. Although we normally contractually limit our liability with respect to some of these indemnity obligations, we may still incur substantial liability related to them. Any dispute with a customer or channel partner with respect to such obligations could have adverse effects on our relationship with that customer or channel partner and other existing customers ~~and~~ **,** new customers **,** and channel partners and harm our business and results of operations. We rely on the availability of licenses to third- party technology that may be difficult to replace or that may cause errors or delay implementation of our solution should we not be able to continue or obtain a commercially reasonable license to such technology. Our Connected Operations Cloud relies on software or other intellectual property licensed from third parties. It may be necessary in the future to renew licenses relating to various aspects of these solutions or to seek new licenses for existing or new Applications. There can be no assurance that the necessary licenses would be available on commercially acceptable terms, if at all. Third parties may terminate their licenses with us for a variety of reasons, including actual or perceived failures or breaches of contractual commitments, or they may choose not to renew their licenses with us. In addition, we may be subject to liability if third- party software that we license is found to infringe, misappropriate, or otherwise violate intellectual property or privacy rights of others. The loss of, or inability to obtain, certain third- party licenses or other rights ~~or~~ **, the inability** to obtain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could result in product roll- backs or delays in product releases until equivalent technology can be identified, licensed or developed, if at all, and integrated into our ~~solutions~~ - **solution** , and it may have a material adverse effect on our business, financial condition, and results of operations. Moreover, the use by our solution of software or other intellectual property licensed from third parties on a nonexclusive basis could limit our ability to differentiate our solution from products of our competitors and could inhibit our ability to provide the current level of service to existing customers. Changes in or the loss of third- party licenses could lead to our ~~solutions~~ - **solution** becoming inoperable or the performance of our ~~solutions~~ - **solution** being materially reduced, resulting in the potential need to incur additional research and development costs to ensure continued performance of our ~~solutions~~ - **solution** or a material increase in the costs of licensing, and we may experience decreased demand for our ~~solutions~~ - **solution** . Risks Related to Government Regulation Federal and other governments and independent standards organizations have implemented and may implement in the future significant regulations or standards that could adversely affect our ability to produce ~~or~~ **,** market **,** ~~our~~ - **or** ~~products~~ **sell subscriptions to our solution** . Our ~~products are~~ **solution is** subject to a wide variety of laws and regulations in the United States and other jurisdictions, and may become subject to additional laws and regulations, and we devote considerable resources to the analysis of their applicability to our ~~products~~ **solution** and ~~their~~ **its** compliance with applicable laws and regulations. Failure to comply with applicable laws and regulations could require us to incur significant compliance, research and development, and other costs, penalties, and fines; adversely impact our business reputation and customer relationships; and otherwise adversely affect or make impossible our ability to produce, market **,** and sell **subscriptions to** ~~the affected products or~~ **our solution** ~~our other products~~ . The United States and other countries have enacted regulations related to ELDs and HOS or similar requirements, and ~~certain~~ **some** of our customers use our ~~products~~ **solution** to comply with such regulations. Failure to comply ourselves, to enable such compliance by our customers, or to obtain and maintain any required certifications would prevent current and potential customers from using **our solution** ~~the applicable products~~ for such compliance purposes and would have an adverse impact on our ability to sell ~~such products~~ **subscriptions to our solution** , our business reputation, and our customer relationships. For example, in the United States, to the extent our Applications and / or IoT devices function as ELDs, they are subject to regulation by the FMCSA and similar regulations in other countries in which they are used. The FMCSA requires that ELD manufacturers register and self- certify that each ELD model and version they offer for sale has been sufficiently tested to meet certain functional requirements. Among other challenges, compliance with ELD regulations often requires reading and interpreting diagnostic information from commercial motor vehicle engines, which is challenging given the diversity of commercial motor vehicles in our customers' fleets, the continuous release of vehicles of new makes, models, and years with potentially different diagnostic communication protocols, and the lack of standardization of diagnostic communication protocols across OEMs. Our ability to design, develop and sell **subscriptions to** our ~~products~~ **solution** will continue to be subject to these rules and regulations, as well as many other federal, state, local and foreign rules and regulations, for the foreseeable future. For example, from time to time, we have received and expect to continue to receive inquiries from FMCSA relating to our self- certified ELD Application in the United States. These inquiries could put our self- certification of our ELD Application at risk or require changes to our ELD functionality that could make our ELD Application less desirable to existing and potential customers. Further, as another example, on January 1, 2023, Canada began enforcement of its ELD technical standard, mandating that motor carriers and drivers subject to HOS requirements in Canada use ELDs that have been tested and certified by an accredited, third- party certification body. We have obtained certification for three of our ELD models in Canada. However, failure to obtain certification for future ELD models, or to maintain the existing certification for our certified ELD models, would prevent current and potential customers from using our ELD Application for compliance purposes in Canada **and could negatively impact the reputation and goodwill of our ELD offering in the United States** . Furthermore, our ~~products~~ **solution** may transmit radio frequency waves, the transmission of which is governed by the rules and regulations of the Federal Communications Commission, as well as other federal and state agencies. In addition, our Connected Operations Cloud may become subject to independent industry standards or similar customer requirements. The implementation of unfavorable regulations, industry standards **,** or similar customer requirements, or unfavorable interpretations of existing regulations by courts or regulatory bodies, could require us to incur significant compliance costs, cause the development of **our solution** ~~the affected products~~ to become impractical, or otherwise adversely affect our ability to produce, market **,** and sell subscriptions to our solution. The adoption of new industry standards or similar customer requirements applicable to our ~~products~~ **solution** may require us to engage in rapid product development efforts that would cause us to incur higher expenses than we anticipated. In some circumstances, we may not be able to comply with such standards or requirements, which could materially and adversely affect our ability to generate revenues through the sale of **subscriptions to** our ~~products~~ **solution** . Reductions in regulation of our customers' physical operations may adversely impact demand for ~~certain of~~ our ~~solutions~~ - **solution** by reducing the necessity for, or desirability of, **certain of** our ~~solutions~~ **Applications** . Regulatory compliance and reporting ~~is~~ **are** driven by legislation, regulatory requirements **,** and related guidance, which are often subject to change, from regulatory authorities in nearly every jurisdiction globally. With respect to our Applications that are used for customers' compliance purposes, changes in underlying regulations may reduce or eliminate our customers' continued demand for Applications that address those regulations. For example, in the United States, fleet operators face numerous complex regulatory requirements, including **, among others,** electronic logging requirements; compliance, safety **,** and accountability driver safety scoring; limitations on HOS; **and** compliance and fuel tax reporting ~~; among others~~ . If these regulatory requirements were reduced or eliminated, our Applications for the fleet use case would have reduced utility to our customers. Accordingly, the reduction in regulation of markets addressed by our Applications could materially and adversely affect our business, financial condition, and results of operations. Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or otherwise harm our business. Our business is subject to regulation by various federal, state, local, and foreign governmental agencies, including agencies responsible for monitoring and enforcing compliance with various legal obligations, covering topics including privacy and data protection, telecommunications, intellectual property, employment and labor, workplace safety, the environment, consumer protection, governmental trade sanctions, import and export controls, anti- corruption and anti- bribery, securities, competition, and tax. In certain jurisdictions, these regulatory requirements may be more stringent than in the United States. These laws and regulations impose added costs on our business. Actual or perceived noncompliance with applicable regulations or requirements could subject us to: • investigations, enforcement actions, and sanctions; • mandatory changes to our solution; • disgorgement of profits, fines, and damages; • civil and criminal penalties or injunctions; • claims for damages by our customers, partners **,** or other third parties; • termination of contracts; • loss of intellectual property rights; and • temporary or permanent debarment from sales to government organizations. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, financial condition, and results of operations could be adversely affected. In addition, responding to any action will likely result in a significant diversion of our management' s attention and resources and an increase in professional fees. Enforcement actions and sanctions could materially harm our business, financial condition, and results of operations. Additionally, companies in the technology industry have recently experienced increased regulatory scrutiny. Any reviews by regulatory agencies or legislatures may result in substantial regulatory fines, changes to our business practices, and other penalties, which could negatively affect our business and results of operations. Changes in social, political, and regulatory conditions or in laws and policies governing a wide range of topics may cause us to change our business practices. Further, our expansion into a variety of new use cases for our solution could also raise a number of new regulatory issues. These factors could materially and adversely affect our business, financial condition, and results of operations. We are subject to stringent and changing laws, regulations, standards, and contractual obligations related to privacy, data protection, and data security. Any actual or perceived failure to comply with such obligations could harm our business. We receive, collect, store, process, transfer, and use personal information and other data relating to users of our solution, our employees and contractors, and other persons. For example, one of our Applications collects video of the worksites of our customers, and certain of our Applications collect and store facial recognition data, which is subject to heightened sensitivity and regulation. **An example of that heightened sensitivity is the May 18, 2023 U. S. Federal Trade Commission (" FTC ") policy statement regarding biometric information, which identifies numerous risks the FTC considers key, outlines relevant practices the FTC plans to scrutinize, and affirms the FTC' s commitment to addressing deceptive and unfair practices involving the collection and use of biometric information.** We have legal and contractual obligations regarding the protection of confidentiality and appropriate use of certain data, including **biometric information** ~~facial recognition data~~ and other personal information. We are subject to numerous federal, state, local, and international laws, directives, and regulations regarding privacy, data protection, and data security and the collection, storing, sharing, use, processing, transfer, disclosure, retention **,** and protection of personal information and other data, the scope of which are changing, subject to differing interpretations, and may be inconsistent across jurisdictions or conflict with other legal and regulatory requirements. We are also subject to certain contractual obligations to third parties related to privacy, data protection **,** and data security. We strive to comply with our applicable policies and applicable laws, regulations, contractual obligations, and other legal obligations relating to privacy, data protection, and data security to the extent possible. However, the regulatory framework for privacy, data protection and data security worldwide is, and is likely to remain for the foreseeable future, uncertain and complex, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that we do not anticipate or that is inconsistent from one jurisdiction to another and may conflict with other legal obligations or our practices. Further, any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security or disclosure of data, or their interpretation, or any changes regarding the manner in which the approval, authorization, agreement, and / or consent of users or other data subjects for the collection, use, retention **,** or disclosure of such data must be obtained or complied with, could increase our costs and require us to modify our Applications, possibly in a material manner, which we may be unable to complete, and may limit our ability to store and process user data or develop new Applications and features. We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, and information security proposed and enacted in various jurisdictions. For example, the data protection landscape in Europe is currently evolving, resulting in possible significant operational costs for internal compliance and risks to our business. The EU adopted the GDPR, which became effective in May 2018, and contains numerous requirements and changes from previously existing EU laws, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. Among other requirements, the GDPR regulates the transfer of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States. We have undertaken certain efforts to conform transfers of personal data subject to the GDPR from the European Economic Area (“ EEA ”) to the United States and other jurisdictions based on our understanding of current regulatory obligations and the guidance of data protection authorities, including ~~using~~ **the use of** SCCs approved by the European Commission; however, international data transfers may still be challenged in countries that have not received “ adequacy ” status from the European Commission. ~~In~~ **For example, in** the Schrems II decision issued by the Court of Justice of the European Union (“ CJEU ”) on July 16, 2020, the CJEU, among other things, imposed additional obligations on companies when relying on the SCCs. EEA regulators since have provided guidance regarding use of the SCCs, and on June 4, 2021, the European Commission issued new SCCs that are required to be implemented **where appropriate. The EEA subsequently adopted an adequacy decision that also** ~~over~~ **covers** ~~time~~ **transfers of personal data to the United States under an alternative mechanism called the EU- U** . ~~Further~~ **S. Data Privacy Framework. The EU- U. S. Data Privacy Framework is the successor to the EU- U. S. Privacy Shield (“ Privacy Shield ”) and allows participating entities to transfer personal data to the U. S. As we continued to participate in Privacy Shield** , **we transitioned automatically to the EU- U. S. Data Privacy Framework, as well as a UK Extension to the EU- U. S. Data Privacy Framework and the Swiss- U. S. Data Privacy Framework, which are designed to allow personal data transfers from** the United Kingdom ~~ceased~~ **and Switzerland, respectively,** to ~~be a~~ **the United States. The Swiss- U. S. Data Privacy Framework is still awaiting an adequacy decision from Switzerland’ s Federal Data Protection and Information Commissioner. There is no guarantee that any of these frameworks will survive any legal challenges and therefore, in light of this uncertainty, we will need to continue monitoring and taking appropriate steps to mitigate the impact on us with respect to the transfers of relevant personal data outside of the** EU ~~member state on January 31~~ , ~~2020~~ **United Kingdom** , ~~but~~ **and Switzerland. The United Kingdom has** enacted ~~legislation that~~ **the UKDPA and UK GDPR, which** substantially ~~implements~~ - **implement** the GDPR and ~~which provides~~ - **provide** for substantial penalties in a manner similar to the GDPR (up to the greater of £ 17. 5 million and 4 % of ~~our~~ global annual turnover for the preceding financial year for the most serious violations). The United Kingdom also has adopted **, in addition to the UK Extension to the EU- U. S. Data Privacy Framework,** new data transfer mechanisms (namely, the UK International Data Transfer Agreement and the UK international data transfer addendum to the SCCs) addressing the cross- border transfer of personal data outside the United Kingdom that became effective as of March 21, 2022, and which are required to be implemented ~~over time~~ **as necessary** . While the EU has deemed the United Kingdom to be an “ adequate country ” to which personal data could be exported from the EEA, this decision is required to be renewed after four years of being in effect and may be modified, revoked, or challenged in the interim. It is unclear how United Kingdom data protection laws or regulations will develop in the medium to longer term and how data transfers to and from the United Kingdom will be regulated. Further, some ~~countries~~ **jurisdictions and / or particular sectors** also are considering or have enacted ~~legislation~~ **regulations or standards** requiring local storage and processing of data that could increase the cost and complexity of delivering our services. In light of these and other developments ~~relating to cross- border data transfer~~ , we may, in addition to other impacts, experience additional costs associated with increased compliance burdens and be required to engage in new contract negotiations with third parties that aid in processing personal data on our behalf or localize certain personal data, and we may be required to implement additional contractual and technical safeguards for the lawful transfer of personal data. We may be unsuccessful in maintaining legitimate means for our transfer and receipt of personal data from the **relevant countries and / or geographic areas (e. g., the** EEA, Switzerland **,** and the United Kingdom **),** and may experience hesitancy, reluctance, or refusal by customers to use our ~~products~~ **solution** due to the potential risk exposure to such customers as a result of sentiment ~~in~~ **e. g., within** the EEA, Switzerland **,** and the United Kingdom regarding international data transfers and data protection obligations imposed on them. Failure to comply with **the relevant laws and regulations like** the GDPR could result in penalties for noncompliance (including possible fines ~~of~~ **e. g.,** up to the greater of € 20 million and 4 % of our global annual turnover for the preceding financial year for the most serious violations **under the GDPR** , as well as the right to compensation for financial or non- financial damages claimed by individuals under Article 82 of the GDPR). In addition to the GDPR, the European Commission has another draft regulation in the approval process that focuses on a person’ s right to conduct a private life. The proposed legislation, known as the Regulation of Privacy and Electronic Communications (“ ePrivacy Regulation ”), would replace the current ePrivacy Directive. Originally planned to be adopted and implemented at the same time as the GDPR, the ePrivacy Regulation is still being negotiated. Various United States privacy laws are potentially relevant to our business, including the Federal Trade Commission Act, Controlling the Assault of Non- Solicited Pornography and Marketing Act, and the Telephone Consumer Protection Act. Any actual or perceived failure to comply with these **United States privacy** laws could result in a costly investigation or **other proceedings by regulatory authorities or** litigation **by governmental authorities or private parties, each of which may** ~~resulting~~ --- **result** in potentially significant liability, loss of trust by our users, and a material and adverse impact on our reputation and business. Additionally, in June 2018, California passed the CCPA, which provides new data privacy rights for California consumers and new operational requirements for covered companies. Specifically, the CCPA provides that covered companies must provide new disclosures to California consumers and afford such consumers new data privacy rights that include the right to request a copy from a covered company of the personal information collected about them, the right to request deletion of such personal information, and the right to request to opt- out of certain sales of such personal information. The CCPA became operative on January 1, 2020. The California Attorney General can enforce the CCPA, including seeking an injunction and civil penalties for violations. The CCPA also provides a private right of action for certain data breaches that is expected to increase data breach litigation. **The** ~~A new privacy law,~~ CPRA **, which amended the CCPA** , was approved by California voters in the November 3, 2020 election and went into effect on January 1, 2023 ~~, with enforcement delayed until July 1, 2023~~ . The CPRA significantly modified the CCPA, resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. A number of other states ~~, such as Illinois, Connecticut, Texas, Washington, Virginia, Colorado and Utah,~~ have implemented, or are considering implementing, their own versions of privacy legislation. The U. S. federal government also is contemplating federal privacy legislation. ~~The~~ **These laws** ~~CCPA, CPRA,~~ and other evolving legislation may require us to modify our data practices and policies and to incur substantial costs and expenses in an effort to comply. Numerous differing state privacy and data security requirements could increase our potential liability and cause us to incur substantial costs and expenses in an effort to comply and otherwise adversely affect our business. Some of those laws, including Illinois' Biometric Information Privacy Act, also provide consumers with a private right of action for certain violations and large potential statutory damages awards. Recent litigation around these laws has encouraged plaintiffs' attorneys to bring additional actions against other targets, and because ~~some of~~ our ~~products~~ **solution** ~~employ~~ **employs** technology that may be perceived as subject to these laws, we and our customers have been, and may in the future become, subject to litigation, and we may also become subject to government enforcement actions, damages **,** and penalties under these laws, which could adversely affect our business, results of operations **,** and our financial condition. Any failure or perceived failure by us to comply with our posted privacy policies, our obligations to users or other third parties, or any other contractual or legal obligations, regulatory requirements, or other actual or asserted obligations relating to privacy, data protection, or data security, may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, other obligations, and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our solution. Additionally, if third parties we work with violate applicable laws, regulations or contractual obligations, such violations may put our users' data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Further, public scrutiny of, or complaints about, technology companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks. Failure to comply with anti- corruption and anti- money laundering laws, including the FCPA and similar laws associated with our activities outside of the United States, could subject us to penalties and other adverse consequences. We are subject to the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the USA PATRIOT Act, the U. K. Bribery Act of 2010, and possibly other anti- bribery and anti- money laundering laws in countries where we conduct activities. We face significant risks if we fail to comply with the FCPA and other anti- corruption laws that prohibit companies and their employees and third- party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to foreign government officials, political parties, and private- sector recipients for the purpose of obtaining or retaining business, directing business to any person, or securing any improper advantage. Some of these laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. Anti- corruption and anti- bribery laws have been enforced aggressively in recent years and are interpreted broadly. In many foreign countries, particularly in...... designed to prevent any such activities. While we have policies and procedures to address such laws, we cannot assure you that none of our employees or third- party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. In many foreign countries,particularly in countries with developing economies,it may be ~~a local custom~~ **customary** ~~that~~ **or common practice for** businesses **to** engage in practices that are prohibited by the FCPA or other applicable laws and regulations.In addition,we use third parties to sell subscriptions to our solution and conduct our business abroad.We or our third- party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities,and we can be held liable for the corrupt or other illegal activities of these third- party intermediaries,our employees,representatives,contractors,partners,and agents,even if we do not explicitly authorize such activities.Similarly,some of our customers may be state- owned, ~~in each case~~ exposing us to additional potential risks **.** Any violation of the FCPA, other applicable anti- corruption laws, or anti- money laundering laws could result in whistleblower complaints, adverse media coverage, **government enforcement** investigations, ~~severe~~ criminal **and /** or civil sanctions **,** and suspension or debarment from government contracts, which could have an adverse effect on our reputation, business, financial condition, results of operations, and prospects. In addition, responding to any enforcement action may result in a significant diversion of management' s attention and resources and significant defense costs and other professional fees. A portion of our revenue is generated by sales to government entities, which are subject to a number of challenges and risks. Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time- consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Despite our efforts, we may not be able to obtain the requisite certifications or otherwise meet particular **data security, or other** requirements to sell to certain government entities, and government certification or other requirements for products like ours may change, thereby restricting our ability to sell to the U. S. federal government, state and local governments, education entities, or non- U. S. government sectors until we have attained the appropriate certification or otherwise met their particular requirements. Government demand and payment for our ~~products~~ **solution** may be affected by public sector budgetary cycles ~~and~~ **,** funding authorizations **, and shutdowns** , with funding reductions or delays adversely affecting public sector demand for our **solution. For example, a shutdown of the U. S. federal government could delay public sector transactions and contracting by government entities. Such budgetary constraints or shifts in spending priorities of government entities may adversely affect sales of our** products **and services to such entities** . Additionally, any actual or perceived privacy, data protection, or data security incident, or even any perceived defect with regard to our practices or measures in these areas, may negatively impact public sector demand for our ~~products~~ **solution** . Some government entities have statutory, contractual, or other legal rights to terminate contracts with us for convenience, for lack of appropriation of funds, ~~or~~ due to a default **, or due to other contractual rights** , and any such termination may adversely affect our future results of operations. Governments routinely investigate and audit government contractors, and any unfavorable audit could result in the government refusing to continue buying our subscriptions, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could materially and adversely affect our business, financial condition, and results of operations. Failure to comply with laws, regulations, **policies,** or contractual provisions applicable to our business could cause us to lose government customers or our ability to contract with the U. S. and other governments. As a government contractor, we must comply with laws, regulations **, policies** , and contractual provisions relating to the formation, administration, and performance of government contracts and inclusion on government contract vehicles, which affect how we and our partners do business with government agencies. As a result of actual or perceived noncompliance with government contracting laws, regulations, **policies,** or contractual provisions, we may be subject to audits and internal investigations which may prove costly to our business financially, divert management time, or limit our ability to continue selling subscriptions to our solution to our government customers. These laws ~~and~~ **,** regulations **, and policies** may impose other added costs on our business, and failure to comply with these or other applicable regulations and requirements, including non- compliance in the past, could lead to claims for damages from our channel partners, penalties, and termination of contracts and suspension or debarment from **contracting with** government ~~contracting~~ **agencies** for a period of time ~~with government agencies~~ . Any such damages, penalties, disruption, or limitation in our ability to do business with a government could materially and adversely impact our business, results of operations, financial condition, public perception, and growth prospects. We are required to comply with governmental export control, economic sanctions and import laws and regulations. Our failure to comply with these laws and regulations could have an adverse effect on our business, financial condition, and results of operations. Exports, reexports and certain transfers of our solution, including the underlying technology and source code and products, may be subject to governmental export control and economic sanctions laws and regulations, including those of the United States and EU. ~~Certain of our products, technologies, and services are, and may in the future be, subject to the EAR.~~ U. S. export control laws and regulations and economic sanctions include various restrictions and license requirements, including prohibiting the shipment of certain products, technology, software **,** and services to ~~U. S.~~ **countries, governments, and persons** embargoed or sanctioned **by the United States** ~~countries, governments, and persons~~ . Complying with export control, economic sanctions **,** and import laws and regulations for a particular sale may be time- consuming and may result in the delay or loss of sales opportunities. While we take precautions to prevent our platform, ~~products~~ **solution** , services, technology **,** and software from being exported, reexported or transferred in violation of these laws, if we were to fail to comply with U. S. export laws, U. S. Customs regulations and import regulations, U. S. economic sanctions, and other countries' import and export laws, we could be subject to substantial civil and criminal penalties, including fines for the company and incarceration for responsible employees and managers, and the possible loss of export privileges. Additionally, the export control laws and regulations impose licensing, filing **,** and reporting requirements on encryption and products, technologies **,** and software that incorporate or use certain encryption. We incorporate encryption technology into certain of our products and our products, software **,** and technology may require export authorization including by license, a license exception **,** or other appropriate government authorization for export, reexport **,** or transfer outside of the United States. In addition, various countries regulate the import of certain encryption technology, including import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our ~~products~~ **solution** or could limit our customers' ability to implement our ~~products~~ **solution** in those countries. We cannot assure you that inadvertent violations of such laws have not occurred or will not occur in connection with the distribution of our ~~products~~ **solution** and services despite the precautions we take. Governmental regulation of encryption technology and regulation of imports or exports, or our failure to obtain any required import or export approval for our ~~products~~ **solution** , technology, software, services **,** or platform could harm our international sales and adversely affect our results of operations. Further, if our channel or other partners fail to obtain any appropriate import, export, or ~~re- export~~ **reexport** licenses or permits, we may also be harmed, become the subject of government investigations or penalties, and incur reputational harm. In addition, access to our supply chain in China may be further restricted by U. S. actions taken against China, such as Chinese suppliers being targeted by U. S. sanctions or being added to lists of denied persons maintained by the U. S. Department of Commerce Bureau of Industry and Security (" BIS "). For example, the United States recently imposed restrictions on the export of U. S.- regulated products and technology to certain Chinese technology companies and adopted controls on certain transactions involving items for semiconductor manufacturing end uses and advanced computing integrated circuits destined for China. ~~Our~~ **If we were to identify a** need to obtain ~~any required~~ export approval for **any** such ~~transactions~~ - **transaction, it** could adversely affect our operations. Changes in our platform, ~~products~~ **solution** , services, technology **,** and software or changes in export and import regulations may create delays in the introduction of our platform in international markets, prevent our customers with international operations from deploying our platform globally or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Any change in export or import laws or regulations, economic sanctions, or related legislation, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons, or technologies targeted by such laws and regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell subscriptions to our platform to, existing or potential customers with international operations. Any decreased use of our platform, ~~products~~ **solution** , services, technology **,** and software or limitation on our ability to export or sell our platform would likely harm our business, financial condition, and results of operations. Our failure to comply with the requirements of applicable environmental legislation and regulation could have a material adverse effect on our revenue and profitability. Production and marketing of **our** products in certain **jurisdictions** ~~states and countries~~ may subject us to environmental and other regulations. In addition, certain states and countries may pass new regulations requiring our ~~products~~ **solution** to meet certain requirements to use environmentally friendly components. For example, the EU has issued ~~two~~ directives relating to chemical substances in electronic products. ~~The~~ **One directive is the** Waste Electrical and Electronic Equipment Directive **, which** makes producers of certain electrical and electronic equipment financially responsible for the collection, reuse, recycling, treatment **,** and disposal of equipment placed in the EU market. ~~The~~ **Another directive is the** Restrictions of Hazardous Substances Directive **, which** bans the use of certain hazardous materials in electrical and electronic equipment which are put on the market in the EU. In the future, various countries, including the United States or other state or local governments, may adopt further environmental compliance programs and requirements. If we fail to comply with these regulations in connection with ~~the manufacture of~~ our IoT devices, we may face regulatory fines ~~, changes to our business practices,~~ and other penalties, and may not be able to sell our IoT devices in jurisdictions where these regulations apply, which could have a material adverse effect on our revenue and profitability. Regulations related to conflict minerals may cause us to incur additional expenses and could limit the supply and increase the costs of certain metals used in the manufacturing of our products. We are subject to requirements under the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 that require us to conduct due diligence on and disclose whether ~~or not~~ our products contain conflict minerals as defined under these provisions. The implementation of these requirements could adversely affect the sourcing, availability, and pricing of the materials used in the manufacture of components used in our IoT devices. In addition, we incur additional costs to comply with the disclosure requirements, including costs related to conducting diligence procedures to determine the sources of minerals that may be used in or necessary for the production of our IoT devices and, if applicable, potential changes to IoT devices, processes, or sources of supply as a consequence of such due diligence activities. It is also possible that we may face reputational harm if we determine that certain of our IoT devices contain minerals not determined to be conflict- free or if we are unable to alter our products, processes, or sources of supply to avoid such materials. We may face fines, penalties, or other costs, either directly or vicariously, if any of our partners, resellers, contractors, vendors **,** or other third parties fail to adhere to their compliance obligations under our policies and applicable law. We use a number of third parties to perform services or act on our behalf in areas like sales, network infrastructure, administration, research, and marketing. It may be the case that one or more of those third parties fail to adhere to our policies or violate applicable federal, state, local, and international laws, including but not limited to ~~,~~ those related to taxation, corruption, bribery, economic sanctions, and export / import controls. Despite ~~the~~ **our** significant efforts in asserting and maintaining control and compliance by these third parties, we may be held fully liable for third parties' actions as fully as if they were a direct employee of ours. Such liabilities may create harm to our reputation, inhibit our plans for expansion, or lead to extensive liability either to private parties or government regulators, which could adversely impact our business, financial condition, and results of operations. Risks Related to Finance, Accounting, and Tax Matters Our results of operations and our business metrics have fluctuated and are likely to fluctuate significantly in future periods and may not fully reflect the underlying performance of our business, which makes our future results difficult to predict and could cause our results of operations to fall below expectations. Our results of operations and business metrics have fluctuated from period- to- period in the past and may continue to vary significantly in the future so that period- to- period comparisons of our results of operations and business metrics, such as ARR, may not be meaningful. Accordingly, our financial results in any one period should not be relied upon as indicative of future performance. We recognize revenue from customers ratably over the term of their subscriptions ~~, which typically range from three to five years~~ . Consequently, any increase or decline in new sales or renewals to these customers in any one period may not be immediately reflected in our revenue for that period. Any such change, however, may affect our revenue in future periods. Accordingly, the effect of downturns or upturns in new sales and potential changes in our rate of renewals may not be fully reflected in **certain** ~~our results~~ of ~~operations~~ **our financial performance measures** until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales or renewals. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term. By contrast, a majority of our costs are expensed as incurred, while a significant portion of our revenue is recognized over the life of the contract with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of certain of our customer contracts. ~~We~~ **Accordingly, we** may not attain sufficient revenue to maintain positive cash flow from operations or achieve **our** profitability **targets** ~~in any given period~~ . Our results of operations and business metrics may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our financial results and our business metrics include but are not limited to: • Our ability to attract new customers, particularly large customers; • Our ability to retain and expand our relationships with existing customers; • Our ability to successfully expand our business domestically and internationally; • Our ability to gain new channel partners and retain existing channel partners; • Our ability to attract, retain **,** and develop key employees and other qualified personnel; • Fluctuations in the growth rate of the overall markets that our solution addresses; • Supply chain, freight **,** and shipping costs; • Our ability to effectively manage our growth; • ~~Fluctuations in the mix of our revenue; •~~ The payment terms in our customer contracts; • The **timing of payments to our vendors, suppliers, and other parties; • The** amount and timing of operating expenses related to the maintenance and expansion of our business and operations, including continued investments in sales and marketing, research and development **,** and general and administrative resources; • Network outages or performance degradation of our cloud service; • Information security breaches and incidents; • General economic, industry and market conditions, including global supply chain challenges, foreign currency fluctuations, elevated inflation and interest rates and monetary policy changes, lower consumer confidence, and volatile equity markets; • Changes in law and regulations affecting our and our customers' businesses or product requirements; • **Seasonality in customer purchasing trends; •** Increases or decreases in the number of subscriptions or pricing changes upon any renewals of customer agreements **; • Changes in the mix of revenue attributable to subscriptions versus hardware, professional services, or other non- subscription revenue** ; • Changes in our pricing policies or those of our competitors; • The budgeting cycles and purchasing practices of customers; • Decisions by potential customers to return products purchased from us and / or purchase alternative solutions from other vendors; • Insolvency or credit difficulties confronting our customers, which could adversely affect their ability to purchase or pay for a subscription to use our solution; • The cost and potential outcomes of future litigation or other disputes; • Future accounting pronouncements or changes in our accounting policies; • Our overall effective tax rate, including impacts caused by any reorganization in our corporate tax structure and any new legislation or regulatory developments; • Fluctuations in stock- based compensation expense, including the stock- based compensation expense that we will incur in connection with future RSU settlements; • Trade protection measures (such as tariffs and duties) and import or export licensing requirements; • Fluctuations in foreign currency exchange rates; • Fluctuations or impairments in the market values of our marketable debt securities portfolio or strategic investments, or in interest rates; • Our timing and success in introducing new features and Applications to the market, including integrations of our solution with additional third- party software, IoT devices **,** and other connected assets; • The actions of our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers **,** or strategic partners; • The provision of fleet management solutions or asset management solutions from cellular carrier- controlled or OEM- controlled channels from which we may be excluded; • The impact of the Russia- Ukraine conflict, **the conflict in Israel and Gaza,** geopolitical tensions involving China, and related macroeconomic events on our and our customers' and partners' respective operations; • Our ability to successfully manage and realize the anticipated benefits of any future acquisitions of businesses, solutions, or technologies; • The timing of expenses related to the development or acquisition of businesses, solutions, or technologies and potential future charges for impairment of goodwill from acquired companies; **• The length of a specific fiscal period;** and • Other risk factors described in this Annual Report on Form 10- K **. Seasonality may cause fluctuations in our results of operations and financial position. We have experienced, and expect to continue to experience in the future, seasonality in our business, and our operating results and financial condition may be affected by such trends in the future. We believe this seasonality is largely due to our customers' procurement cycles, as many customers look to spend the unused portions of their budgets prior to the end of their fiscal years, as well as the timing and structure of our internal sales incentive and compensation programs. As a result, we have historically seen higher demand for our solution in the fourth fiscal quarter of the year. We expect that this seasonality will continue to affect our results of operations in the future and might become more pronounced as we continue to target larger enterprise customers** . If we are unable to achieve and sustain a level of liquidity sufficient to support our operations and fulfill our obligations, our business, financial condition, and results of operations could be adversely affected. We actively monitor and manage our cash, cash equivalents, and marketable debt securities so that sufficient liquidity is available to fund our operations and other corporate purposes. In the future, increased levels of liquidity may be required to adequately support our operations and initiatives and to mitigate the effects of business challenges or unforeseen circumstances. If we are unable to achieve and sustain such increased levels of liquidity, we may suffer adverse consequences, including reduced investment in our research and development efforts, difficulties in executing our business plan and fulfilling our obligations, and other operational challenges. Any of these developments could adversely affect our business, financial condition, and results of operations. We may require additional capital to fund our business and support our growth, and any inability to generate or obtain such capital may adversely affect our business and financial condition. In order to support our growth and respond to business challenges, such as developing new Applications for our Connected Operations Cloud to stay competitive, acquiring new technologies, **expanding our sales and go- to- market activities,** and improving our infrastructure, we have made significant financial investments in our business and we intend to continue to make such investments. As a result, we may need to engage in **additional** equity or debt financings to provide the funds required for these investments and other business endeavors. If we raise additional funds through equity or convertible debt issuances, our existing stockholders may suffer significant dilution **,** and these securities could have rights, preferences, and privileges that are superior to that of holders of our Class A common stock. If we obtain additional funds through debt financing, the terms of such indebtedness may involve restrictive covenants making it difficult to engage in capital raising activities and pursue business opportunities, including potential acquisitions. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired and our business and financial condition may be adversely affected. Our business is exposed to risks related to third- party financing of our customers' subscriptions to our Connected Operations Cloud. Some of our customers have relied, and may in the future rely, on third parties to finance their purchase of subscriptions to our Connected Operations Cloud. This need to arrange third- party credit may lengthen our sales cycles or otherwise lengthen the amount of time required to negotiate customer agreements. We occasionally provide customers seeking financing with contact information for lenders that are known to us through their financing of other customers' subscriptions. These arrangements can create challenging dynamics for us when disputes arise between a customer and a lender to whom we have introduced a customer. In the event that financing is not available to those of our customers who require it, on commercially reasonable terms or at all, we could experience reduced sales, extended sales cycles, and increased churn. Any inability of a third- party financing company to make payments on a customer' s behalf would prevent us from collecting amounts due under the customer' s subscription agreement. In the event of a dispute between a customer and a lender, we could suffer reputational harm and damage to our relationships with customers and those that provide financing to our customers. The cost of financing may increase as a result of increases in interest rates. The occurrence of any of these would adversely impact our business, financial condition, and results of operations. Changes in our subscription or pricing models could adversely affect our business, financial condition **,** and results of operations. Determining the optimal prices for subscriptions to our solution requires significant judgment and assessment of multiple factors, particularly under economic conditions characterized by high inflation or in a recessionary or uncertain economic environment. As the market for our solution has evolved, we have changed our prices and pricing model from time to time and expect to continue to do so in the future. As we expand our offerings, as the markets for our solution mature, as competitors introduce new solutions or services that compete with ours, as we enter new international markets, and as macroeconomic conditions evolve, we may be unable to attract and retain customers at the prices or terms we set. If we do not optimally adjust pricing for our solution, our revenue and margins, as well as our ability to acquire and retain customers, may be negatively impacted. The sales price for subscriptions to access our Connected Operations Cloud may decline for a variety of reasons, including competitive pricing pressures, discounts, anticipation of the introduction of new Applications and features, changes in pricing models for existing Applications and access to our solution (including changes as to the timing of customers' payments over the course of their subscriptions) or promotional programs. ~~Larger~~ **Our** competitors, including new entrants to our market, may reduce the price of offerings that compete with ours or may bundle them with other offerings and provide them for free. Any decrease in the sales prices for access to our Connected Operations Cloud, without a corresponding decrease in costs or increase in sales volume, would adversely affect our revenue, gross profit **, operating income, net income,** and free cash flow. We may also have difficulty determining the appropriate price structure for new Applications. Regardless of the pricing model used, larger customers may demand higher price discounts than have been given in the past, or are given to other customers. As a result, we may be required to reduce our prices, offer shorter contract durations **,** or offer alternative pricing models. If we do not maintain our prices and gross profits at levels that will allow us to achieve **our** ~~and maintain~~ profitability **targets** , our business, financial condition, and results of operations will be harmed. We recognize certain revenue streams over the term of our subscription contracts. Consequently, downturns in new sales may not be immediately reflected in our results of operations and may be difficult to discern. We recognize subscription revenue from customers ratably over the terms of their contracts. As a result, a significant portion of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter may only have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our Connected Operations Cloud, and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a majority of our costs are expensed as incurred, while a significant portion of our revenue is recognized over the life of the contract with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of certain of our customer contracts. Our subscription revenue also makes it more difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from certain new customers must be recognized over the applicable term. Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could expose us to greater than anticipated tax liabilities. The tax laws applicable to our business, including the laws of the United States ~~,~~ and other jurisdictions, are subject to interpretation and certain jurisdictions may aggressively interpret their laws in an effort to raise additional tax revenue. The tax authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology, intercompany arrangements, or our revenue recognition policies, which could increase our worldwide effective tax rate and harm our financial position and results of operations. It is possible that tax authorities may disagree with certain positions we have taken, and any adverse outcome of such a review or audit could have a negative effect on our financial position and results of operations. Further, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made. In addition, tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. For example, in August 2022, the United States enacted the Inflation Reduction Act of 2022, which imposes a 15 % minimum tax on the adjusted financial statement income of certain large corporations, as well as a one percent excise tax on corporate stock repurchases by publicly traded companies. **Additionally, for taxable years beginning on or after January 1, 2022, the Internal Revenue Code of 1986, as amended (the " Code "), eliminated the right to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize U. S. and foreign research and development expenditures over five and 15 tax years, respectively. However, recently proposed tax legislation, if enacted, would restore the ability to deduct currently U. S. research and development expenditures through 2025 and would retroactively restore** ~~This~~ **this** ~~act~~ **benefit for 2022 and 2023, but we have no assurance that this proposal will become enacted. These updates** , as well as any other changes to tax laws that are enacted, could adversely affect our tax liability. Many countries in the EU, as well as a number of other countries and organizations such as the Organisation for Economic Cooperation and Development **(the " OECD ")** , are actively considering changes to existing tax laws that, if enacted, could increase our tax obligations in countries where we do business. **As part of the OECD' s base erosion and profit shifting project, over 130 member jurisdictions of the OECD Inclusive Framework have joined the Two- Pillar Solution to Address the Tax Challenges of the Digitalisation of the Economy, which includes a reallocation of taxing rights among jurisdictions and a global minimum tax rate of 15 %.** If U. S. or other ~~foreign~~ **non- U. S.** tax authorities change applicable tax laws, our overall tax liabilities could increase, and our business, financial condition **,** or results of operations may be adversely impacted. Our international operations may subject us to potential adverse tax consequences. We are expanding our international operations to better support our growth into international markets. Our corporate structure and associated transfer pricing policies contemplate future growth in international markets, and consider the functions, risks, and assets of the various entities involved in intercompany transactions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The tax authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one- time tax charges, higher effective tax rates, reduced cash flows **,** and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency. If currency exchange rates fluctuate substantially in the future, the results of our operations, which are reported in U. S. dollars, could be adversely affected. As we continue to expand our international operations, we become more exposed to the effects of fluctuations in currency exchange rates. Our international customer contracts are denominated in currencies other than the U. S. dollar. Because our contract terms are typically **several** ~~three to five~~ years, changes in currency exchange rates over the course of customers' contract terms may impact the amount of revenue we recognize from a customer from period to period, even in the absence of changes to that customer' s subscriptions. Additionally, currency fluctuations in certain countries and regions may negatively impact actual prices that customers and partners are willing to pay in those countries and regions. Further, we incur expenses for employee compensation and other operating expenses at our non- U. S. locations in the local currency. Fluctuations in the exchange rates between the U. S. dollar and other currencies could result in the dollar equivalent of such expenses being higher, which could have a negative impact on our results of operations. Although we may in the future decide to undertake foreign exchange hedging transactions to cover a portion of our foreign currency exchange exposure, we currently do not hedge our exposure to foreign currency exchange risks. Our marketable debt securities portfolio is subject to credit, liquidity, market, and interest rate risks that could cause its value to decline and materially adversely affect our business, financial condition, results of operations, and prospects. We maintain a portfolio of marketable debt securities through professional investment advisors. The investments in our portfolio are subject to our corporate investment policy, which focuses on the preservation of capital, fulfillment of our liquidity needs, and maximization of investment performance within the parameters set forth in our corporate investment policy and subject to market conditions. These investments are subject to general credit, liquidity, market, and interest rate risks. In particular, the value of our portfolio may decline due to changes in interest rates, instability in the global financial markets that reduces the liquidity of securities in our portfolio, and other factors, including unexpected or unprecedented events. As a result, we may experience a decline in value or loss of liquidity of our investments, which could materially adversely affect our business, financial condition, results of operations, and prospects. We attempt to mitigate these risks through diversification of our investments and continuous monitoring of our portfolio' s overall risk profile, but the value of our investments may nevertheless decline. To the extent that we increase the amount of these investments in the future, these risks could be exacerbated. We could be required to collect additional sales, use, value added, digital services **,** or other similar taxes or be subject to other liabilities that may increase the costs our customers would have to pay for our Applications and adversely affect our results of operations. We collect sales, value added **,** and other similar taxes in a number of jurisdictions. One or more U. S. states or municipalities, as well as other countries, may seek to impose incremental or new sales, use, value added, digital services, or other tax collection obligations on us. ~~An increasing number of U. S. states have considered or adopted laws that attempt to impose tax collection obligations on out- of- state companies, which has previously increased, and may in the future increase, our tax exposure. We previously expanded our registrations and compliance requirements. However, there~~ **There** can be no assurance that tax authorities in jurisdictions where we conduct business will not assert that we are subject to additional taxes or required to collect additional taxes or impose additional taxes in the future. An expansion by a U. S. state or local government, or other country or jurisdiction of sales, use, value added, digital services **,** or other similar taxes could, among other things, result in additional tax liabilities for us or our customers and / or create additional administrative burdens for us. Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , we had U. S. federal net operating loss (" NOL ") carryforwards of $ 1, ~~364~~ **866** . ~~5~~ **4** million and U. S. state NOL carryforwards of $ **2, 484.** 1 ~~, 634. 2~~ million, which may be utilized against future income taxes. Under the Tax Cuts and Jobs Act **of 2017** , as modified by the Coronavirus Aid, Relief, and Economic Security Act, the deductibility of our federal NOL carryforwards generated in taxable years beginning after December 31, 2017 is limited to 80 % of taxable income in taxable years beginning after December 31, 2020. Our NOL carryforwards may also be subject to limitations under state law. Limitations imposed by the applicable jurisdictions on our ability to utilize NOL carryforwards, including with respect to the NOL carryforwards of companies that we have acquired or may acquire in the future, could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such NOL carryforwards to expire unused, in each case reducing or eliminating the benefit of such NOL carryforwards. Under Sections 382 and 383 of the ~~Internal Revenue~~ Code ~~of 1986, as amended~~ , if a corporation undergoes an " ownership change, " the corporation' s ability to use its pre- change federal NOL carryforwards and other pre- change tax attributes, such as research tax credits, to offset its future post- change income and taxes may be limited. In general, an " ownership change " occurs if there is a cumulative change in our ownership by " 5 % shareholders " that exceeds 50 percentage points over a rolling three- year period. Similar rules may apply under state tax laws. In the event we experience one or more ownership changes as a result of future transactions in our stock, then we may be further limited in our ability to use our NOL carryforwards and other tax assets to reduce taxes owed on the net taxable income that we earn in the event that we attain profitability. Furthermore, we may not be able to generate sufficient taxable income to utilize our NOL carryforwards before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our NOL carryforwards. If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our stock price. The preparation of our financial statements in conformity with generally accepted accounting principles **in the United States of America** (" GAAP ") requires management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations, " the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock. For example, we have taken and may be required to take certain non- cash charges in connection with future rent expenses relating to premises we have vacated or intend to vacate, which could have an adverse impact on our results of operations for the period in which we recognize such charges. Significant judgments, estimates, and assumptions used in preparing our consolidated financial statements include, or may in the future include, those related to revenue recognition, stock-based compensation, **costs to obtain and fulfill a contract,** and income taxes. Risks Related to the Ownership of Our Class A Common Stock Sales **or distributions** of substantial amounts of our Class A common stock in the public markets, or the perception that they might occur, could cause the market price of our Class A common stock to decline. The market price of our Class A common stock could decline as a result of sales **or distributions** of a large number of shares of our Class A common stock in the market **or** ~~, and~~ the perception that these sales **or distributions** could occur **, including following sales by our founders or distributions- in- kind by our early investors. Certain of our employees, executive officers, and directors have entered or** may ~~also depress the market price~~ **enter into Rule 10b5- 1 trading plans providing for sales of shares** of our Class A common stock **from time to time. Such sales of shares into the market could cause the market price of our Class A common stock to decline** . Certain holders of our common stock also have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. Further, we have filed and expect to file in the future registration statements to register shares reserved for future issuance under our equity compensation plans. Subject to the satisfaction of applicable exercise or vesting periods, the shares issued upon exercise of outstanding stock options or upon settlement of outstanding RSU awards will be available for immediate resale in the United States in the open market as a result of being issued under such registration statement or pursuant to other securities law exemptions. **Additionally, to fund the tax withholding and remittance obligations arising in connection with the vesting or settlement of RSUs, we have implemented a " sell- to- cover " option for our equity award holders, in which the holders of such RSUs may use a broker to sell a portion of such shares into the market on the applicable settlement date, with the proceeds of such sales to be delivered to us for remittance to the relevant taxing authorities. The occurrence of these sell- to- cover transactions on our RSU settlement dates could cause the market price of our Class A common stock to decline.** Sales of our shares as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and ~~at a~~ price that we deem appropriate. Sales **or distributions** of substantial amounts of our Class A common stock in the public markets, or the perception that sales **or distributions** might occur, also could cause the trading price of our Class A common stock to decline and make it more difficult for you to sell shares of our Class A common stock. Our stock price may be volatile and may decline significantly and rapidly regardless of our operating performance, resulting in substantial losses for investors. The market price of our Class A common stock may fluctuate significantly in response to numerous factors in addition to the ones described in the preceding risk factors, many of which are beyond our control, including: • actual or anticipated fluctuations in our financial condition, results of operations **,** or key business metrics and non- GAAP financial measures; • the financial projections we may provide to the public, any changes in these projections **,** or our failure to meet these projections; • failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates or ratings by any securities analysts who follow our company **,** or our failure to meet these estimates or the expectations of investors; • announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, results of operations **,** or capital commitments; • changes in stock market valuations and operating performance of other technology companies generally, or those in our industry in particular; • price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole; • changes in our Board of Directors, management **,** or personnel; • sales of large blocks of our Class A common stock, including sales by our executive officers and directors, as well as sales in connection with our ~~quarterly~~ RSU settlements to cover tax withholding and remittance obligations; • actual or perceived privacy or security incidents affecting our solution or otherwise affecting us; • lawsuits threatened or filed against us; • anticipated or actual changes in laws, regulations **,** or government policies applicable to our business or our customers' businesses; • changes in the anticipated future size or growth rate of our addressable markets; • changes in our capital structure, such as future issuances of debt or equity securities; • short sales, hedging **,** and other derivative transactions involving our capital stock; • general economic conditions ~~in the United States~~ , including economic slowdowns, the occurrence or expectation of recessions, financial distress caused by ~~recent~~ **prior** or ~~potential~~ **anticipated** bank failures, elevated inflation and interest rates, and tightening of credit markets; • other events or factors, including those resulting from geopolitical disputes (including but not limited to the ongoing conflict between **Russia and** Ukraine **, the conflict in Israel** and ~~Russia~~ **Gaza,** and geopolitical tensions involving China), pandemics (including COVID- 19), incidents of terrorism or responses to these events; and • the other factors described in this " Risk Factors " section and the section titled " Special Note Regarding Forward- Looking Statements " of this Annual Report on Form 10- K. The stock market experiences extreme price and volume fluctuations from time to time. The market prices of securities of companies, particularly technology companies, have experienced fluctuations that **have** often ~~have~~ been unrelated or disproportionate to their results of operations. Market fluctuations could result in extreme volatility in the price of shares of our Class A common stock, which could cause a decline in the value of your investment. Price volatility may be greater if the public float and trading volume of shares of our Class A common stock ~~is~~ **remains** low **, including as a result of the concentration of ownership of our outstanding common stock among our existing executive officers, directors, and principal stockholders** . Furthermore, in the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management' s attention and resources, and harm our business, financial condition, and results of operations. In addition, because we award RSUs to our employees as part of their total compensation package, and the value of those RSUs depends directly on our stock price, a sharp or prolonged decline in our stock price may make it more difficult for us to hire and retain our employees or may result in us granting more awards in the aggregate to hire and retain our employees. The multi- class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of our IPO. Our Class B common stock has 10 votes per share, our Class A common stock, which is the stock we have listed on the New York Stock Exchange, has one vote per share, and our Class C common stock has no voting rights, except as otherwise required by law. Because of the ten- to- one voting ratio between our Class B and Class A common stock, ~~the~~ holders of our Class B common stock collectively control a majority of the combined voting power of our common stock and therefore are able to control all matters submitted to our stockholders for approval. This concentrated control will limit or preclude the ability of holders of Class A common stock to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that Class A common stockholders may feel are in their best interest as one group of our stockholders. Future transfers by holders of shares of Class B common stock will generally result in those shares converting to Class A common stock, except for certain transfers permitted by our amended and restated certificate of incorporation, including (i) estate planning or other transfers among our co- founders and their family members, (ii) transfers to a bona fide trust primarily for the benefit of the transferor, such transferor' s family members or a charitable organization, (iii) transfers to an investment retirement account, pension, profit sharing, stock bonus **,** or other type of plan where dispositive power and voting control with respect to the transferred shares of Class B common stock are retained by or granted solely to the transferor and / or permitted transferees, (iv) transfers to a corporation, partnership, or limited liability company in which the transferor and / or permitted transferees hold dispositive power and voting control, or (v) transfers to charitable organizations, foundations **,** or similar entities established, directly or indirectly, by a transferor in which the transferor and / or permitted transferees hold dispositive power and voting control. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those individual holders of Class B common stock who retain their shares in the long term. Further, all shares of Class B common stock will be converted into shares of Class A common stock following the earliest to occur of (i) the date specified by the affirmative vote or consent of (a) the holders of a majority of the outstanding Class B common stock and (b) each of Mr. Biswas and Mr. Bicket to the extent he (together with his permitted assigns) then holds at least 25 % of the Class B common stock held by him and his permitted assigns immediately prior to the completion of our IPO and is not then deceased or disabled; (ii) nine months following the death or disability of the later to die or become disabled of Messrs. Biswas and Bicket, which period may be extended to 18 months upon the consent of a majority of the independent directors then in office; and (iii) such date fixed by our Board of Directors following the date that the total number of shares of Class B common stock held by Messrs. Biswas and Bicket (together with their permitted assigns) equals less than 25 % of the Class B common stock held by them immediately prior to the completion of our IPO. In addition, because our Class C common stock carries no voting rights (except as otherwise required by law), if we issue Class C common stock in the future, the holders of Class B common stock may be able to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders for a longer period of time than would be the case if we had issued Class A common stock rather than Class C common stock in such future transactions. Our multi- class structure may negatively affect the decision by certain institutional investors to purchase or hold shares of our Class A common stock. The holding of low- voting stock, such as our Class A common stock, may not be permitted by the investment policies of certain institutional investors or may be less attractive to the portfolio managers of certain institutional investors. For example, certain index providers have announced restrictions on including companies with multiple class share structures in certain of their indexes. In July 2017, FTSE Russell ~~and Standard & Poor' s~~ announced that ~~they~~ **it** would cease to include most newly public companies utilizing dual or multi- class capital structures in ~~their~~ **its** indices **,** ~~. Affected indices include~~ **including** the Russell 2000 ~~and the S & P 500, S & P MidCap 400, and S & P SmallCap 600, which together make up the S & P Composite 1500~~ . Under the announced policies, our multi- class capital structure likely makes us ineligible for inclusion in **certain** ~~any of these~~ indices, and as a result, mutual funds, exchange- traded funds, and other investment vehicles that attempt to passively track ~~these~~ **such** indices may not invest in our stock. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock ~~indexes~~ **indices** would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected. An active and liquid market for our Class A common stock may not be sustained, which may make it difficult for investors to sell the Class A common stock they purchase. We cannot predict if an active and liquid trading market for our Class A common stock will be sustained. If an active and liquid trading market for our Class A common stock is not sustained, you may have difficulty selling any of our Class A common stock at a price at or above the price at which you purchased your stock, or at all. If an active and liquid trading market for our Class A common stock is not sustained, our ability to raise capital to fund our operations by selling shares and our ability to acquire other companies or technologies by using our common stock as consideration may suffer. Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other stockholders. We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors **,** and consultants under our equity incentive plans and issue shares of our Class A common stock under our employee stock purchase plan. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, products **,** or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline. If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our share price and trading volume could decline. The trading market for our Class A common stock depends, to some extent, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline. We do not intend to pay dividends for the foreseeable future. We currently intend to retain any future earnings to finance the operation and expansion of our business **,** and we do not expect to declare or pay any dividends in the foreseeable future. Moreover, any debt we may incur in the future may restrict our ability to pay dividends. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock. As a result, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment. ~~We are no longer an " emerging growth company, " and, as a result, we now must comply with increased reporting and disclosure requirements, which may increase our costs. We no longer qualify as an " emerging growth company, " as defined in the Jumpstart Our Business Startups Act of 2012. As a result, we are now subject to various disclosure and compliance requirements that did not previously apply to us, such as: • the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404 (b) of the Sarbanes- Oxley Act; • the requirement that we adopt new or revised accounting standards when they are applicable to public companies, instead of delaying their adoption until they are applicable to private companies; • compliance with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding obligatory audit firm rotation or a supplement to the auditor' s report providing additional information about the audit and financial statements; • the requirement that we provide full and more detailed disclosures regarding executive compensation; and • the requirement that we hold a non- binding advisory vote on executive compensation and obtain stockholder approval of any golden parachute payments not previously approved. We expect that the loss of emerging growth company status and compliance with these additional requirements will increase our legal and financial compliance costs and cause management and other personnel to divert attention from operational and other business matters to devote substantial time to public company reporting requirements. In addition, if we are not able to comply with changing disclosure or compliance requirements in a timely manner, the trading price of our Class A common stock could decline and we could be subject to sanctions or investigations by the New York Stock Exchange, the SEC, or other regulatory authorities, which would require additional financial and management resources.~~ The requirements of being a public company may strain our resources, divert management' s attention, and affect our ability to attract and retain executive management and qualified board members. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the New York Stock Exchange **,** and other applicable securities rules and regulations. Compliance with these rules and regulations has increased and will continue to increase our legal and financial compliance costs, make some activities more difficult, time- consuming, or costly, and place significant strain on our personnel, systems **,** and resources. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight is required. We are required to disclose changes made in our internal control and procedures on a quarterly basis and we are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management' s attention may be diverted from other business concerns, which could adversely affect our business and results of operations. Although we have ~~already~~ hired additional employees and have engaged outside consultants to assist us in complying with these requirements, we may need to hire more employees in the future or engage additional outside consultants, which will increase our operating expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure **, including recently adopted and proposed SEC rules around cybersecurity, human capital management, and climate disclosures, among other topics,** are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application 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 intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business may be adversely affected. Being a public company ~~and~~ **subject to** the aforementioned rules and regulations may make it more expensive for us to maintain director and officer liability insurance, and in the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in our filings with the SEC, our business and financial condition have become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and results of operations. ~~Our management team has limited experience managing a public company. Some members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our activities as a public company that are subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will continue to require significant attention from our senior management and could divert their attention away from the day- to- day management of our business, which could harm our business, financial condition, and results of operations.~~ If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act **,** and the rules and regulations of the applicable listing standards of the New York Stock Exchange. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting- related costs, and significant management oversight. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information and could materially and adversely affect our business, financial condition, and results of operations and could cause a decline in the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the New York Stock Exchange. Provisions in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management or hinder efforts to acquire a controlling interest in us, and the market price of our Class A common stock may be lower as a result. There are provisions in our certificate of incorporation and bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control was considered favorable by our stockholders. Such provisions include: • our amended and restated certificate of incorporation provides for a multi- class common stock structure, which provides our pre- IPO stockholders, **including** ~~which includes~~ certain of our executive officers, employees, directors, and their affiliates, with significant influence over matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets; • our amended and restated certificate of incorporation requires approval of the holders of at least two- thirds of the outstanding shares of our Class B common stock voting as a separate class for certain corporate actions including (i) any direct or indirect amendment to the amended and restated certificate of incorporation that is inconsistent with or alters the voting, conversion or other rights, powers, preferences, privileges **,** or restrictions of the Class B common stock, (ii) reclassification of Class A common stock or Class C common stock into shares having rights as to dividends or liquidation that are senior to that of the Class B common stock, (iii) an increase to the voting power of the Class A common stock or Class C common stock, (iv) authorization or issuance of shares of any class or series of capital stock (other than Class B common stock) having more than one vote per share, and (v) issuance of additional shares of Class B common stock, with certain exceptions; • our amended and restated certificate of incorporation and amended and restated bylaws authorize only our ~~board~~ **Board** of ~~directors~~ **Directors** to fill vacant directorships, including newly created seats, and the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire ~~board~~ **Board** of ~~directors~~ **Directors** ; • until the first date on which the outstanding shares of our Class B common stock represent less than a majority of the total voting power of the then outstanding shares entitled to vote generally in the election of directors, our stockholders will be able to take action by consent only if such action is first recommended or approved by our ~~board~~ **Board** of ~~directors~~ **Directors** ; • a special meeting of our stockholders may only be called by the chairperson of our board of directors, our Chief Executive Officer, or a majority of our entire ~~board~~ **Board** of ~~directors~~ **Directors** ; • our amended and restated certificate of incorporation does not provide for cumulative voting; • certain litigation against us can only be brought in Delaware; • our amended and restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and • advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders. Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibit a person who owns 15 %

or more of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired 15 % or more of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Any provision in our certificate of incorporation or our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock and could also affect the price that some investors are willing to pay for our Class A common stock. Our business could be impacted as a result of actions by activist shareholders or others. We may be subject, from time to time, to legal and business challenges in the operation of our company due to actions instituted by activist shareholders or others. Responding to such actions could be costly and time- consuming, may not align with our business strategies **,** and could divert the attention of our Board of Directors and senior management from the pursuit of our business strategies. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may affect our relationships with our end- customers, prospective and current employees and others. Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers **,** or employees. Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, stockholders, officers, or other employees to us or our stockholders, (c) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, or (d) any action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over the claims at issue and the indispensable parties; provided that the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America are the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing, holding, or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to the foregoing bylaw provisions. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, stockholders, or other employees, which may discourage lawsuits with respect to such claims against us and our current and former directors, officers, stockholders, or other employees. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions. Further, in the event a court finds either exclusive forum provision contained in our amended and restated bylaws to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations. General Risk Factors Our business may be materially and adversely impacted by U. S. and global market, political **,** and economic conditions, including elevated inflation rates. We generate our revenue from selling subscriptions to our Connected Operations Cloud to industries that depend on physical operations. These industries include transportation, **construction,** wholesale and retail trade ~~, construction~~ , field services, logistics, utilities and energy, government, healthcare and education, manufacturing, food and beverage, and others. Given the concentration of our business activities in these industries and their heightened susceptibility to disruption in times of economic uncertainty, we will be particularly exposed to certain economic uncertainty and downturns. U. S. and global market and economic conditions have been, and continue to be, disrupted and volatile due to many factors, including financial distress caused by ~~recent or potential~~ bank failures **, potential shutdowns of the United States federal government** , component shortages and related supply chain challenges, geopolitical developments such as the conflict between **Russia and** Ukraine **, the conflict in Israel** and ~~Russia~~ **Gaza,** and geopolitical tensions involving China, elevated inflation rates and the responses by central banking authorities to control such inflation, and ~~the COVID- 19 pandemic~~ **pandemics and epidemics** , among others. **Other** ~~General~~ **general** business and economic conditions that could affect us and our customers include fluctuations in economic growth ~~, debt and equity capital markets~~ , liquidity of the global financial markets, foreign currency fluctuations, the availability and cost of credit, investor and consumer confidence, and the strength of the economies in which we and our customers operate. Economic uncertainty and associated macroeconomic conditions make it extremely difficult for businesses to accurately forecast and plan future business activities, and have caused and may continue to cause businesses to cease or slow spending on **IT** ~~information technology~~ products, which has also caused, and could continue to cause, delays in and lengthening of sales cycles. Furthermore, during uncertain economic times, our customers have faced issues gaining timely access to sufficient credit on acceptable terms, which has from time to time resulted, and in the future may result, in an impairment of their ability to make timely payments to us. As a result, operational challenges and these volatile economic conditions have presented and may in the future present difficulties in our ability to timely collect accounts receivables from our customers due to their deteriorating financial condition. In addition, our existing customers may be acquired by or merged into other entities that use our competitors' products, they may decide to terminate their relationships with us for other reasons, or they may go out of business, each of which would have an adverse effect on our future revenue. Additionally, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our customers. We have limited experience operating our business at current scale under economic conditions characterized by high inflation or in a recessionary or uncertain economic environment. We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally, or any industry in particular. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, and results of operations could be materially and adversely affected. Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate or that may change due to macroeconomic conditions or other unexpected trends. Our estimates and forecasts relating to the size and expected growth of our target markets may prove to be inaccurate. Even if the markets in which we compete meet our size estimates and growth forecasts, we may not successfully penetrate these markets and our business could fail to grow at a similar pace, if at all. A heightened focus on evolving environmental, social, and governance issues by shareholders, customers, regulators **,** and other stakeholders may impose additional risks and costs on our business. Environmental, social, and governance (" ESG ") matters have become an area of heightened focus among our shareholders and other stakeholders, including among customers, employees, regulators **,** and the general public in the United States and abroad. In particular, companies face evolving rules, regulations **,** and expectations with respect to their practices, disclosures **,** and performance in relation to corporate responsibility, climate change, diversity, equity and inclusion, human capital management, data privacy and security, and supply chains (including human rights issues), among other topics. This has resulted in, and is likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and expectations. For example, developing and acting on ESG initiatives, and collecting, measuring, and reporting ESG information and metrics can be costly, difficult **,** and time consuming and is subject to evolving reporting standards, including **climate and ESG- related disclosure requirements promulgated by** the SEC ~~' s proposed climate-~~ **, the EU, and California. These initiatives and** related reporting requirements ~~and potential ESG- related reporting requirements in the EU. These initiatives and related reporting requirements~~ may present operational, reputational, financial, legal **,** and other risks, which could have a material impact on us. Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition, and results of operations. We have in the past and may in the future seek to acquire or invest in businesses, joint ventures, and technologies that we believe could complement or expand our Connected Operations Cloud, enhance our technology, or otherwise offer growth opportunities. Any such acquisitions or investments may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties or incur significant costs assimilating or integrating the businesses, technologies, products, personnel, or operations of any acquired companies, particularly if the key personnel of an acquired company choose not to work for us, their software is not easily adapted to work with our solution, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise. Any such transactions that we are able to complete may not result in the synergies or other benefits we expect to achieve, which could result in substantial impairment charges, or may impact our financial condition or results of operations, which could adversely affect the price of our Class A common stock. These transactions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our financial position, costs, and financial flexibility. ~~Future litigation~~ **Litigation** could have a material adverse impact on our results of operations and financial condition. From time to time, we have been ~~and continue to be~~ subject to litigation **, including the matters disclosed elsewhere in the Risk Factors section and in Note 9, " Commitments and Contingencies, " to our consolidated financial statements included elsewhere in this Annual Report on Form 10- K** . The outcome of any litigation, regardless of its merits, is inherently uncertain. Regardless of the merits of any claims that may be brought against us, pending or future litigation could result in a diversion of management' s attention and resources **,** and we may be required to incur significant expenses defending against these claims. If we are unable to prevail in litigation, we could incur substantial liabilities. **Where we have applicable** ~~Insurance~~ **insurance , it** might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us (including premium increases or the imposition of large deductible or co- insurance requirements). Where we can make a reasonable estimate of the liability relating to pending litigation and determine that it is probable, we record a related liability. As additional information becomes available, we assess the potential liability and revise estimates as appropriate. However, because of uncertainties relating to litigation, the amount of our estimates could be wrong. Any adverse determination related to litigation **, or even the burdens of litigation or potential threat of liability,** could require us to change our technology or our business practices, pay monetary damages, or enter into royalty or licensing arrangements, which could **materially** adversely affect our results of operations and cash flows, harm our reputation, or otherwise negatively impact our business. We may be adversely affected by natural disasters and other catastrophic events, and by man- made problems such as terrorism, that could disrupt our business and adversely affect results of operations, and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster. Natural disasters or other catastrophic events ~~, including pandemics such as the COVID- 19 pandemic,~~ may also cause damage or disruption to our operations, international commerce, and the global economy, and could have an adverse effect on our business, financial condition, and results of operations. For example, as a result of **the** COVID- 19 **pandemic** and **subsequent** ~~the resulting~~ economic conditions, we have experienced an increase in the average length of sales cycles to onboard new customers, delays in new projects and purchasing decisions, and requests by some customers for contract renegotiations or extension of payment obligations, all of which have adversely affected, and could materially and adversely impact, our business, financial condition, and results of operations in future periods. In addition, **the** COVID- 19 **pandemic** has disrupted the operations **of certain** of our customers and technology partners, including as a result of supply chain constraints or uncertainty in the financial markets, all of which could negatively impact our business and results of operations. More generally, the COVID- 19 pandemic has adversely affected economies and financial markets globally, leading to an economic downturn, which could adversely affect demand for our ~~products~~ **solution** , has led to some of our customers going through bankruptcy proceedings, has adversely affected our ability to collect payments from our customers and could harm our business and results of operations. In addition, acts of terrorism and other geopolitical unrest could cause disruptions in our business or the businesses of our customers and partners or the economy as a whole. In the event of a natural disaster, including a major earthquake, blizzard, flood, or hurricane, or a catastrophic event such as a fire, power loss, or telecommunications failure, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in development of our solution, lengthy interruptions in service, breaches of data security, and loss of critical data, all of which could have an adverse effect on our future results of operations. For example, our main corporate offices are located in California, a state that frequently experiences earthquakes. Additionally, any natural disaster, power outage, connectivity issue **,** or other event could adversely affect the ability of our remote employees to work. All the aforementioned risks may be further increased if we do not implement an adequate disaster recovery plan or our partners' disaster recovery plans prove to be inadequate.