**Risk Factors Comparison 2024-02-23 to 2023-02-23 Form: 10-K**

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

You should carefully consider the risks described below, together with all of the other information included in this Annual Report on Form 10- K, in evaluating our company and our common stock. If any of the risks described below actually occurs, our business, financial condition, results of operations, cash flows and stock price could be materially adversely affected **.** **RISKS RELATED TO THE PROPOSED MERGER The Proposed Business Combination (as defined below) with Marel is subject to significant risks and uncertainties and may not be consummated on the expected terms, if at all. We intend to launch a voluntary tender offer for all of the issued and outstanding shares of Marel hf. (" Marel ") to effectuate a merger with Marel in the second quarter of 2024 (the " Proposed Business Combination"). Launch of the offer is subject to, among other things, confirmatory due diligence, further negotiations, and approval by our Board of Directors. There is no assurance that an offer will be launched. In addition, even if an offer is launched, consummation of the Proposed Business Combination is expected to be subject to the satisfaction or waiver of various conditions, including valid acceptance of the offer from Marel shareholders representing at least 90 % of the issued and outstanding share capital and voting rights of Marel, receipt of required regulatory approvals, receipt of required approvals from our shareholders and other customary closing conditions. As a result, there can be no assurance that the Proposed Business Combination will be consummated on the expected terms, on the anticipated schedule, or at all. Any delay in consummation of the Proposed Business Combination will result in increased transaction costs and professional fees. If we fail to consummate the Proposed Business Combination, we may be required to pay Marel a break fee under any agreement that is entered into between the parties. If consummated, the success of the Proposed Business Combination will depend, in significant part, on the successful integration of the two companies, grow the revenue of the combined company and realize the anticipated strategic benefits and synergies from the combination. Difficulties in integrating our and Marel' s business practices and operations may result in the combined company performing differently than expected, operational challenges or the delay or failure to realize anticipated benefits and synergies, and could have an adverse effect on our business, financial condition, results of operations, and cash flows. The issuance of shares of our common stock in connection with the Proposed Business Combination will dilute the ownership interests of our existing shareholders. In addition, the combined company' s indebtedness is expected to be substantially greater than our current indebtedness. We currently expect to provide Marel shareholders with a mix of cash and shares of our common stock as consideration for the Proposed Business Combination. Any issuance of shares of our common stock to Marel shareholders will dilute the ownership and voting interests of our existing shareholders. In addition, we expect to incur significant indebtedness, through one or more financing arrangements, to fund the cash portion of the consideration for the Proposed Business Combination, which we may not be able to obtain on favorable terms. We expect the combined company' s indebtedness will be substantially greater than our current indebtedness and greater than our and Marel' s combined indebtedness prior to the Proposed Business Combination. Our substantially increased indebtedness may have the effect of, among other things, reducing our flexibility to respond to changing business and economic conditions, lowering our credit ratings, increasing our borrowing costs and / or requiring us to reduce or delay investments, strategic acquisitions and capital expenditures, or to seek additional capital to refinance our indebtedness** . BUSINESS AND OPERATIONAL RISKS Our financial results are subject to fluctuations caused by many factors that could result in our failing to achieve anticipated financial results and cause a drop in our stock price. Our quarterly and annual financial results have varied in the past and are likely to continue to vary in the future due to a number of factors, many of which are beyond our control. In particular, the contractual terms and the number and size of orders in the capital goods industries in which we compete vary significantly over time. The timing of our sales cycle from receipt of orders to shipment of the products or provision of services can significantly impact our sales and income in any given fiscal period. These and any one or more of the factors listed below, among other things, could cause us not to achieve our revenue or profitability expectations in any given period and the resulting failure to meet such expectations could cause a drop in our stock price: • volatility in demand for our products and services, including volatility in growth rates in the food processing ~~and air transportation industries~~ **industry** ; • downturns in our customers' businesses resulting from deteriorating domestic and international economies where our customers conduct substantial business; • increases in commodity prices resulting in increased manufacturing costs, such as petroleum-based products, metals or other raw materials we use in significant quantities; • supply chain delays and interruptions; • effects of tight labor market on our labor costs resulting from higher labor turnover, shortage of skilled labor, and higher labor absenteeism ~~, also in part due to effects of the COVID- 19 pandemic~~ ; • changes in pricing policies resulting from competitive pressures, including aggressive price discounting by our competitors and other market factors; • our ability to develop and introduce on a timely basis new or enhanced versions of our products and services; • unexpected needs for capital expenditures or other unanticipated expenses; • changes in the mix of revenue attributable to domestic and international sales; • changes in the mix of products and services that we sell; • changes in foreign currency rates; • seasonal fluctuations in buying patterns; • future acquisitions and divestitures of technologies, products, and businesses; • changes to trade regulation, quotas, duties or tariffs, caused by the changing U. S. and geopolitical environments; and • cyber- attacks and other IT threats that could disable our IT infrastructure and create a meaningful inability to operate our business. The loss of key personnel or any inability to attract and retain additional personnel could affect our ability to successfully grow our business. Our performance is substantially dependent on the continued services and performance of our senior management and other key personnel. Our performance also depends on our ability to retain and motivate our officers and key employees. The loss of the services of any of our executive officers or other key employees for any reason could harm our business. Transitions in our senior executive management roles could adversely impact our strategic planning, specifically resulting in unexpected changes, or delays in the planning and execution of such plans and can cause a diversion of management time and attention. The cumulative loss of several significant contracts may negatively affect our business, financial condition, results of operations, and cash flows. We often enter into large, project- oriented contracts, or long- term equipment leases and service agreements. These agreements may be terminated or breached, or our customers may fail to renew these agreements. If we were to lose several significant agreements and if we were to fail to develop alternative business opportunities, then we could experience a material adverse effect on our business, financial condition, results of operations, and cash flows. We may lose money or not achieve our expected profitability on fixed- price contracts. As is customary for several of the business areas in which we operate, we may provide products and services under fixed- price contracts. Under such contracts, we are typically responsible for cost overruns. Our actual costs and any gross profit realized on these fixed- price contracts may vary from our estimates on which the pricing for such contracts was based. There are inherent risks and uncertainties in the estimation process, including those arising from unforeseen technical and logistical challenges or longer than expected lead times for sourcing raw materials and assemblies. A fixed- price contract may significantly limit or prohibit our ability to mitigate the impact of unanticipated increases in raw material prices (including the price of steel and other significant raw materials) by passing on such price increases. Depending on the volume of our work performed under fixed- price contracts at any one time, differences in actual versus estimated performance could have a material adverse impact on our business, financial condition, results of operations, and cash flows. We attempt to offset these cost increases through increases in pricing and efforts to lower costs through manufacturing efficiencies and cost reductions. However **,** the impact of such increase costs may not be fully mitigated. Infrastructure failures or catastrophic loss at any of our facilities, including damage or disruption to our information systems and information database, could lead to production and service curtailments or shutdowns and negatively affect our business, financial condition, results of operations, and cash flows. We manufacture our products at facilities in the United States, Belgium, Sweden, Brazil, Italy, Spain, United Kingdom, **the** Netherlands ~~and~~ **,** Germany **, and South Africa** . An interruption in production or service capabilities at any of our facilities as a result of equipment failure or any other reasons could result in our inability to manufacture our products. In the event of a stoppage in production at any of our facilities, even if only temporary, or if we experience delays as a result of events that are beyond our control, delivery times to our customers could be severely affected. Any significant delay in deliveries to our customers could lead to cancellations. Our operations are also dependent on our ability to protect our facilities, computer equipment and the information stored in our databases from damage by, among other things, earthquake, fire, natural disaster, explosions, power loss, telecommunications failures, hurricane, and other catastrophic events. For instance, a part of our operations is based in an area of California that has experienced earthquakes and wildfires and other natural disasters, while another part of our operations is based in an area of Florida that has experienced hurricanes and other natural disasters. Despite our best efforts at planning for such contingencies, catastrophic events of this nature may still result in delays in deliveries, catastrophic loss, system failures and other interruptions in our operations, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, it is periodically necessary to replace, upgrade, or modify our internal information systems. For example **,** we are currently in the process of implementing common Enterprise Resource Planning ( **"** ERP **"** ) systems across the majority of our businesses. If we are unable to do this in a timely and cost- effective manner, especially in light of demands on our information technology resources, our ability to capture and process financial transactions and therefore our business, financial condition, results of operations, and cash flows may be materially adversely impacted. We are subject to cyber- security risks arising out of breaches of security relating to sensitive company, customer, and employee information and to the technology that manages our operations and other business processes. Our business operations rely upon secure information technology systems for data capture, processing, storage, and reporting. Notwithstanding careful security and controls design, our information technology systems, and those of our third- party providers could become subject to cyber- attacks. Network, system, application, and data breaches could result in operational disruptions or information misappropriation, including, but not limited to, inability to utilize our systems, and denial of access to and misuse of applications required by our clients to conduct business with us. Phishing and other forms of electronic fraud may also subject us to risks associated with improper access to financial assets, customer information and diversion of payments. Theft of intellectual property or trade secrets and inappropriate disclosure of confidential information could stem from such incidents. Any such operational disruption and / or misappropriation of information could result in lost sales, negative publicity or business delays and could have a material adverse effect on our business. In addition, requirements under the privacy laws of the jurisdictions in which we operate, such as the EU General Data Protection Regulation ( **"** GDPR **"** ) and California Consumer Privacy Act **,** impose significant costs that are likely to increase over time. Our results of operations can be adversely affected by labor shortages, turnover and labor cost increases. We have from time- to- time experienced labor shortages and other labor- related issues ~~. These labor shortages have become more pronounced as a result of the COVID- 19 pandemic and a sharp increase in demand for industrial goods as the global economy recovers from the effects of the pandemic~~ . A number of factors may adversely affect the labor force available to us in one or more of our markets, including high employment levels, federal unemployment subsidies, and other government regulations, which include laws and regulations related to workers' health and safety, wage and hour practices and immigration. These factors can also impact the cost of labor. Increased turnover rates within our employee base can lead to decreased efficiency and increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees. An overall labor shortage or lack of skilled labor, increased turnover, higher rates of absenteeism or labor inflation could have a material adverse effect on our results of operations. INDUSTRY RISKS Deterioration of economic conditions could adversely impact our business. Our business may be adversely affected by changes in current or future national or global economic conditions, including lower growth rates or recession, high unemployment, rising interest rates, limited availability of capital, decreases in consumer spending rates, the availability and cost of energy, tightening of government monetary policies to contain inflation and the effect of government deficit reduction, sequestration, and other austerity measures impacting the markets we serve. Any such changes could adversely affect the demand for our products or the cost and availability of our required raw materials, which can have a material adverse effect on our financial results. Adverse national and global economic conditions could, among other things: • make it more difficult or costly for us to obtain necessary financing for our operations, our investments and our acquisitions, or to refinance our debt; • cause our lenders or other financial instrument counterparties to be unable to honor their commitments or otherwise default under our financing arrangements; • impair the financial condition of some of our customers, thereby hindering our customers' ability to obtain financing to purchase our products and / or increasing customer bad debts; • cause customers to forgo or postpone new purchases in favor of repairing existing equipment and machinery, and delay or reduce preventative maintenance, thereby reducing our revenue and / or profits; • negatively impact our customers' ability to raise pricing to counteract increased fuel, labor, and other costs, making it less likely that they will expend the same capital and other resources on our equipment as they have in the past; • impair the financial condition of some of our suppliers thereby potentially increasing both the likelihood of our having to renegotiate supply terms on terms that may not be as favorable to us and the risk of non- performance by suppliers; • negatively impact global demand for ~~air transportation services as well as for~~ technologically sophisticated food production ~~equipments~~ - **equipment** , which could result in a reduction of sales, operating income, and cash flows ~~in our AeroTech and FoodTech segments~~ ; • negatively affect the rates of expansion, consolidation, renovation, and equipment replacement within the ~~air transportation industry and within the~~ food processing industry, which may adversely affect the results of operations of our **business** ~~AeroTech and FoodTech segments~~ ; and • impair the financial viability of our insurers. Variability in the length of our sales cycles makes accurate estimation of our revenue in any single period difficult and can result in significant fluctuation in quarterly operating results. The length of our sales cycle varies depending on a number of factors over which we may have little or no control, including the size and complexity of a potential transaction, the level of competition that we encounter during our selling process, and our current and potential customers' internal budgeting and approval processes. Many of our sales are subject to an extended sales cycle. As a result, we may expend significant effort and resources over long periods of time in an attempt to obtain an order, but ultimately not obtain the order, or obtain an order that is smaller than we anticipated. Revenue generated by any one of our customers may vary from quarter to quarter, and a customer who places a large order in one quarter may generate significantly lower revenue in subsequent quarters. Due to the length and uncertainty of our sales cycle, and the variability of orders from period to period, we believe that quarter- to- quarter comparisons of our revenue and operating results may not be an accurate indicator of our future performance. Our inability to secure raw material supply, component parts, sub **-** assemblies, finished good assemblies, installation labor, and / or logistics capacity in a timely and cost- effective manner from suppliers would adversely affect our ability to manufacture, install and / or distribute products to customers. We purchase raw materials, component parts, sub **-** assemblies, and / or finished good assemblies for use in manufacturing, installation, service and / or distribution of our products to customers. Logistics availability and other external factors impacting our inbound and outbound transportation, raw material supply, component parts, sub **-** assemblies, and / or finished goods we procure could result in manufacturing, installation and / or outbound transportation delays, inefficiencies, or our inability to distribute products if we cannot timely and efficiently manufacture them. In addition, our gross margins could be adversely impacted if raw materials, component parts, sub **-** assemblies, finished goods, installation services and / or logistics provider' s higher costs cannot be offset with timely pricing increases to customers. The disruptions to the global economy ~~, which began~~ **as a result of the war** in ~~2020~~ **Ukraine** and **other subsequent geopolitical events** ~~continued~~ - **continue to** ~~throughout the years 2021 and 2022 have impeded~~ - **impede** global supply chains, resulting in longer lead times and increased raw material costs. We have taken steps to minimize the impact of these increased costs by working closely with our suppliers and customers. Despite the actions we have taken to minimize the impacts of supply chain disruptions, there can be no assurances that unforeseen future events in the global supply chain and inflationary pressures will not have a material adverse effect on our business, financial condition and results of operations. An increase in energy or raw material prices may reduce the profitability of our customers, which ultimately could negatively affect our business, financial condition, results of operations, and cash flows. Energy prices are volatile globally, but are especially high in Europe, as a result of the war in the Ukraine. High energy prices have a negative trickledown effect on our customers' business operations by reducing their profitability because of increased operating costs. Our customers require large amounts of energy to run their businesses **and** ~~, particularly in the air transportation industry. Higher~~ **higher** ~~energy prices can reduce passenger and cargo air carrier profitability as a result of increased jet and ground support equipment fuel prices. Higher~~ energy prices also increase food processors' operating costs through increased energy and utility costs to run their plants, higher priced chemical and petroleum based raw materials used in food processing, and higher fuel costs to run their logistics and service fleet vehicles. Food processors are also affected by the cost and availability of raw materials such as feed grains, livestock, produce, and dairy products. Increases in the cost and limitations in the availability of such raw materials can negatively affect the profitability of food processors' operations. Any reduction in our customers' profitability due to higher energy or raw material costs or otherwise may reduce their future expenditures for the food processing ~~equipment or airport~~ equipment that we provide. This reduction may have a material adverse effect on our business, financial condition, results of operations, and cash flows. Changes in food consumption patterns due to dietary trends or economic conditions may adversely affect our business, financial condition, results of operations, and cash flows. Dietary trends can create demand for protein food products but negatively impact demand for high- carbohydrate foods, or create demand for easy to prepare, transportable meals but negatively impact traditional canned food products. Because different food types and food packaging can quickly go in and out of style as a function of dietary, health, convenience, or sustainability trends, food processors can be challenged in accurately forecasting their needed manufacturing capacity and the related investment in equipment and services. Rising food and other input costs, and recessionary fears may negatively impact our customer' s ability to forecast consumer demand for protein products or processed food products and as a result negatively impact our customer' s demand for our goods and services. A demand shift away from protein products or processed foods could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Freezes, hurricanes, droughts, other natural disasters, adverse weather conditions, outbreak of animal borne diseases (H5N1, BSE, or other virus strains affecting poultry or livestock), citrus tree diseases, or food borne illnesses or other food safety **,** or quality concerns may negatively affect our business, financial condition, results of operations, and cash flows. An outbreak or pandemic stemming from H5N1 (avian flu), BSE (mad cow disease), African swine fever (pork) or any other animal related disease strains could reduce the availability of poultry or beef that is processed for the restaurant, food service, wholesale or retail consumer. Any limitation on the availability of such raw materials could discourage food producers from making additional capital investments in processing equipment, aftermarket products, parts, and services that **we** ~~our FoodTech business provides~~ **provide** . Such a decrease in demand for our products could have a material adverse effect on our business, financial condition, results of operations, and cash flows. The success of our business that serves the citrus food processing industry is directly related to the viability and health of citrus crops. The citrus industries in Florida, Brazil, and other countries are facing increased pressure on their harvest productivity and citrus bearing acreage due to citrus canker and greening diseases. These citrus tree diseases are often incurable once a tree has been infested and the end result can be the destruction of the tree. Reduced amounts of available fruit for the processed or fresh food markets could materially adversely affect our business, financial condition, results of operations, and cash flows. In the event an E. coli or other food borne illness causes a recall of meat or produce, the companies supplying those fresh, further processed or packaged forms of those products could be severely adversely affected. Any negative impact on the financial viability of our fresh or processed food provider customers could adversely affect our immediate and recurring revenue base. We also face the risk of direct exposure to liabilities associated with product recalls to the extent that our products are determined to have caused an issue leading to a recall. In the event a natural disaster negatively affects growers or farm production, the food processing industry may not have the fresh food raw materials necessary to meet consumer demand. Crops or entire groves or fields can be severely damaged by a drought, flood, freeze, or hurricane, wildfires or adverse weather conditions, including the effects of climate change. An extended drought or freeze or a high category hurricane could permanently damage or destroy a tree crop area. If orchards have to be replanted, trees may not produce viable product for several years. Since our recurring revenue is dependent on growers' and farmers' ability to provide high quality crops to certain of our customers, our business, financial condition, results of operations, and cash flows could be materially adversely impacted in the event of a freeze, hurricane, drought, or other natural disaster. ~~Our failure to comply with the laws and regulations governing our U. S. government contracts or the loss of production funding of any of our U. S. government contracts could harm our business. The U. S. government represented approximately 1 % of our 2022 revenue, directly or through subcontracts. Our AeroTech business contracts with the U. S. government and subcontracts with defense contractors conducting business with the U. S. government. As a result, we are subject to various laws and regulations that apply to companies doing business with the U. S. government. The laws governing U. S. government contracts differ in several respects from the laws governing private company contracts. Government contracts are highly regulated to curb misappropriation of funds and to ensure uniform policies and practices across various governmental agencies. Funding for such contracts is tied to national defense budgets and procurement programs that are annually negotiated and require approvals by the U. S. Department of Defense, the Executive Branch, and the Congress. For example, if there were any shifts in spending priorities or if funding for the defense aircraft programs were reduced or canceled as a result of the sequestration, policy changes, or for other reasons, the resulting loss of revenue could have an adverse impact on our AeroTech business. Many U. S. government contracts contain pricing terms and conditions that are not applicable to private contracts. In particular, U. S. defense contracts are unilaterally terminable at the option of the U. S. government with compensation only for work completed and costs incurred to date. In addition, any deliverable delays under such contracts as a result of our non- performance could also have a negative impact on these contracts. Non- compliance with the laws and regulations governing U. S. government contracts or subcontracts may result in significant sanctions such as debarment (restrictions from future business with the government). If we were found not to be in compliance now or in the future with any such laws or regulations, our results of operations could be adversely impacted.~~ Customer sourcing initiatives may adversely affect our new equipment and aftermarket businesses. Many multi- national companies, including our customers and prospective customers, have undertaken supply chain integration initiatives to provide a sustainable competitive advantage against their competitors. Under continued price pressure from consumers, wholesalers and retailers, our manufacturer customers are focused on controlling and reducing cost, enhancing their sourcing processes, and improving their profitability. A key value proposition of our equipment and services is low total cost of ownership. If our customers implement sourcing initiatives that focus solely on immediate cost savings and not on total cost of ownership, our new equipment and aftermarket sales could be adversely affected. Our business could suffer in the event of a work stoppage by our unionized or non- union labor force. ~~A portion of our employees in the United States are represented by collective bargaining agreements.~~ Outside the United States, we enter into employment contracts and agreements in certain countries in which national employee ~~unions~~ **work councils** are mandatory or customary, such as in Belgium, Sweden, Spain, Italy, the Netherlands, Germany and China. Any future strikes, employee slowdowns, or similar actions by one or more ~~unions~~ **work councils** , in connection with labor contract negotiations or otherwise, could have a material adverse effect on our ability to operate our business. LEGAL AND REGULATORY RISKS Disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business could negatively affect our business, financial condition, and results of operations. We operate manufacturing facilities in many countries other than the United States, the largest of which are located in Belgium, Sweden, Brazil, Italy, Spain, United Kingdom, the Netherlands ~~and~~ **,** Germany **and South Africa** . Our international sales accounted for ~~36~~ **43** % of our ~~2022~~ **2023** revenue. Multiple factors relating to our international operations and to those particular countries in which we operate or seek to expand our operations could have an adverse effect on our financial condition or results of operations. These factors include, among others: • economic downturns, inflationary and recessionary markets, including in capital and equity markets; • civil unrest, political instability, terrorist attacks, and wars; • nationalization, expropriation, or seizure of assets; • potentially unfavorable tax law changes; • inability to repatriate income or capital; • foreign ownership restrictions; • export regulations that could erode profit margins or restrict exports, including import or export licensing regulations; • trade restrictions, tariffs, and other trade protection measures, or price controls; • restrictions on operations, trade practices, trade partners, and investment decisions resulting from domestic and foreign laws and regulations; • compliance with the U. S. Foreign Corrupt Practices Act and other similar laws; • burden and cost of complying with different national and local laws, treaties, and technical standards and changes in those regulations; • transportation delays and interruptions; and • reductions in the availability of qualified personnel. Changes to trade regulation, quotas, duties or tariffs, caused by the changing U. S. and geopolitical environments or otherwise, may increase our costs or limit the amount of raw materials and products that we can import, or may otherwise adversely impact ~~or~~ **our** business. The U. S. government imposes the import duties or other restrictions on products or raw materials sourced from countries that it perceives as engaging in unfair trade practices. For instance, since 2018, the U. S. government has imposed tariffs on steel and aluminum imports and on specified imports from China. In response to these tariffs, several major U. S. trading partners have imposed, or announced their intention to impose, tariffs on U. S. goods. We import raw materials from ~~or manufacture our products in~~ China and other such countries subject to these tariffs. Any such duties or restrictions could have a material adverse effect on our business, results of operations or financial condition. Moreover, these tariffs, or other changes in U. S. trade policy, could trigger retaliatory actions by affected countries. A " trade war " of this nature or other governmental action related to tariffs or international trade agreements or policies has the potential to adversely impact demand for our products, our costs, customers, suppliers and / or the U. S. economy or certain sectors thereof and, thus, to adversely impact our businesses. Climate change and climate change legislation or regulations may adversely affect our business, financial condition, results of operations, and cash flows. Increasing attention to climate change, increasing societal expectations on companies to address climate change and changes in consumer preferences may result in increased costs, reduced demand for our products and the products of our customers, reduced profits, risks associated with new regulatory requirements, risks to our reputation and the potential for increased litigation and governmental investigations. Foreign, federal, state and local regulatory and legislative bodies have proposed various legislative and regulatory measures relating to increased transparency and standardization of reporting related to factors that may be contributing to climate change, regulating GHG emissions, and energy policies. If such legislation or regulations are enacted, we could incur increased energy, environmental and other costs and we may need to make capital expenditures to comply with these legislative and regulatory requirements. Failure to comply with these regulations could result in monetary penalties and could adversely affect our business, financial condition, results of operations and cash flows. We could also face increased costs related to defending and resolving legal claims related to climate change and the alleged impact of our operations on climate change. Further, customer, investor, and employee expectations relating to environmental, social and governance (ESG) have been rapidly evolving. Enhanced stakeholder focus on ESG issues related to our industry requires continuous monitoring of various and evolving standards and expectations and the associated reporting requirements. A failure to adequately meet stakeholder expectations may result in the loss of business, diluted market valuation, and an inability to attract and retain customers and employees. From time to time, in alignment with our sustainability priorities, we may establish and publicly announce climate- related goals. If we fail to achieve or improperly report on our progress toward achieving our sustainability goals and commitments, the resulting negative publicity could adversely affect our reputation and our access to capital. Environmental protection initiatives may negatively impact the profitability of our business. Future environmental regulatory developments in the United States and abroad concerning environmental issues, such as climate change, could adversely affect our operations and increase operating costs and, through their impact on our customers, reduce demand for our products and services. Actions may be taken in the future by the U. S. government, state governments within the United States, foreign governments, or by signatory countries through a new global climate change treaty to regulate the emission of greenhouse gases. Pressures to reduce the footprint of carbon emissions **may significantly** impact the ~~air transportation and~~ manufacturing ~~sectors~~ - **sector** ~~. Airports, airlines, and air cargo providers are continually looking for new ways to become more energy efficient and reduce pollutants~~ . Manufacturing plants are seeking means to reduce their heat- trapping emissions and minimize their energy and water usage. The precise nature of any such future environmental regulatory requirements and their applicability to us and our customers are difficult to predict, but the impact to us and the industries that we serve would likely be adverse and could be significant, including the potential for increased fuel costs, carbon taxes or fees, a requirement to purchase carbon credits, and increased cost related to emission controls, energy use reduction, and to develop alternative technologies with lower emissions. Our operations and industries are subject to a variety of U. S. and international laws, which can change. We therefore face uncertainties with regard to lawsuits, regulations, and other related matters. In the normal course of business, we are subject to proceedings, lawsuits, claims, and other matters, including those that relate to the environment, health and safety, employee benefits, import and export compliance, intellectual property, product liability, tax matters, securities regulation, and regulatory compliance. For example, we are subject to changes in foreign laws and regulations that may encourage or require us to hire local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular non- U. S. jurisdiction. In addition, environmental laws and regulations affect the systems and services we design, market and sell, as well as the facilities where we manufacture our systems. We are required to invest financial and managerial resources to comply with environmental laws and regulations and anticipate that we will continue to be required to do so in the future. We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act and similar worldwide anti- bribery laws. The U. S. Foreign Corrupt Practices Act ( **"** FCPA **"** ), the U. K. Bribery Act of 2010 (the **"** U. K. Bribery Act **"** ), and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti- bribery laws. We operate in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices. Despite our training and compliance programs, there is no assurance that our internal control policies and procedures will protect us from acts committed by our employees or agents. If we are found to be liable for FCPA, the U. K. Bribery Act or other similar violations (either due to our own acts, or due to the acts of others), we could suffer from civil and criminal penalties or other sanctions, which could have a material adverse impact on our business, financial condition, and results of operations. ~~We are subject to governmental export controls and economic sanctions laws that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws. Our business activities are subject to various restrictions under U. S. export controls and trade and economic sanctions laws, including the U. S. Commerce Department' s Export Administration Regulations (EAR), the International Traffic in Arms Regulations (ITAR), and economic and trade sanctions regulations maintained by the U. S. Treasury Department' s Office of Foreign Assets Control (OFAC). We are subject to similar laws and regulations in other countries in which we operate or make sales. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to civil or criminal penalties and reputational harm. Obtaining the necessary authorizations, including any required license, for a particular transaction may be time- consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. Furthermore, U. S. export control laws and economic sanctions laws in the U. S. and other countries prohibit certain transactions with U. S. embargoed or sanctioned countries, governments, persons and entities. Although we take precautions to prevent transactions with sanction targets, the possibility exists that we could inadvertently provide our products or services to persons prohibited by sanctions. This could result in negative consequences to us, including government investigations, penalties, and reputational harm.~~ Unfavorable tax law changes and tax authority rulings may adversely affect results. We are subject to income taxes in the United States and various foreign jurisdictions. Domestic and international tax liabilities are subject to the allocation of income among various tax jurisdictions. Our effective tax rate could be adversely affected by changes in the geographic mix of earnings. Additionally, changes in tax laws where we have significant operations, including rate changes or corporate tax provisions that disallow or tax perceived base erosion or profit shifting payments or subject us to new types of tax, could materially affect our effective tax rate and our deferred tax assets and liabilities. **Although we believe our** ~~We continue to monitor countries' progress toward enactment of the Organization of Economic Cooperation and Development' s model rules on a global minimum~~ tax **estimates are reasonable** ~~. During December 2022, the European Union reached agreement on the introduction of a minimum tax directive requiring each member state to enact local legislation~~ , we ~~will continue to evaluate it as additional guidance and clarification becomes available. We~~ are subject to ~~ongoing audits~~ - **audit** by ~~U. S. federal, state, and local~~ tax authorities and ~~by non- U. S. authorities. If these~~ -- **the final determination of** audits ~~result in assessments~~ **could be materially** different from **our historical** ~~amounts we recorded, future financial results may include unfavorable~~ tax ~~adjustments~~ **provisions and accruals** . BUSINESS STRATEGY RISKS We face risks associated with current and future acquisitions. To achieve our strategic objectives, we have pursued and expect to continue to pursue expansion opportunities such as acquiring other businesses or assets. Expanding through acquisitions involves risks such as: • the incurrence of additional debt to finance the acquisition or expansion; • additional liabilities (whether known or unknown), including, among others, product, environmental or pension liabilities of the acquired business or assets; • risks and costs associated with integrating the acquired business or new **operating** facility into our operations; • ~~the need~~ **a failure** to retain and assimilate key employees of the acquired business or assets; • unanticipated demands on our management, operational resources and financial and internal control systems; • unanticipated regulatory risks; • the risk of being denied the necessary licenses, permits and approvals from state, local and foreign governments, and the costs and time associated with obtaining such licenses, permits and approvals; • risks that we do not achieve anticipated operating efficiencies, synergies and economies of scale; • risks in retaining the existing customers and contracts of the acquired business or assets; and. • risk that unforeseen issues with an acquisition may adversely affect the anticipated results of the business or value of the intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets for such business. If we are unable to effectively integrate acquired businesses or newly formed operations, or if such acquired businesses underperform relative to our expectations, this may have a material adverse effect on our business, financial position, and results of operations. We ~~face risks associated with implementing strategic alternatives for AeroTech. As previously announced in the first quarter of 2022, we are considering a full range of strategic alternatives for AeroTech and expect to complete our strategic assessment in the first half of 2023. We may face difficulty in implementing this business strategy, including our ability to identify or develop any strategic alternatives or execute on material aspects of such strategic alternatives and meet this anticipated timing. Additionally, difficulty in debt and capital markets to raise capital may adversely impact our ability to execute on this business strategy. As a result, we may not be able to achieve the potential benefits of such strategic alternatives. We~~ have invested substantial resources in certain markets and strategic initiatives where we expect growth, and our business may suffer if we are unable to achieve the growth we expect. As part of our strategy to grow, we are expanding our operations in certain emerging or developing markets, and accordingly have made and expect to continue to make investments to support anticipated growth in those regions. We have also ~~increased our~~ **made substantial** investments in our digital solution, OmniBluTM, to support potential growth in parts and service revenue as well as the new revenue source of digital software subscriptions. We may fail to realize expected rates of return on our existing investments or incur losses on such investments, and we may be unable to redeploy capital to take advantage of other markets, business lines or other potential areas of growth. Our results will also suffer if these developing markets, business lines or capabilities do not grow as quickly as we anticipate. Our restructuring initiatives may not achieve the expected cost reductions or other anticipated benefits. We regularly evaluate our existing operations, service capacity, and business efficiencies to determine if a realignment or restructuring could improve our results of operations or achieve some other business goal. Our realignment and restructuring initiatives are designed to result in more efficient and increasingly profitable operations. Our ability to achieve the anticipated cost savings and other benefits from these initiatives within the expected time frame is subject to many estimates and assumptions. These estimates and assumptions are subject to significant economic, competitive, and other uncertainties, some of which are beyond our control. Failure to achieve the expected cost reductions related to these restructuring initiatives could have a material adverse effect on our business and results of operations. The industries in which we operate expose us to potential liabilities arising out of the installation or use of our systems that could negatively affect our business, financial condition, results of operations, and cash flows. Our equipment, systems and services create potential exposure for us for personal injury, wrongful death, product liability, commercial claims, product recalls, business ~~interuption~~ **interruption** , production loss, property damage, pollution, and other environmental damages. In the event that a customer who purchases our equipment becomes subject to claims relating to food borne illnesses or other food safety or quality issues relating to food processed through the use of our equipment, we could be exposed to significant claims from our customers. Although we have obtained business and related risk insurance, we cannot assure you that our insurance will be adequate to cover all potential liabilities. Further, we cannot assure you that insurance will generally be available in the future or, if available, that premiums to obtain such insurance will be commercially reasonable. If we incur substantial liability and damages arising from such liability are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we are not able to obtain liability insurance, our business, financial condition, results of operations, and cash flows could be materially adversely affected. TECHNOLOGY RISKS To remain competitive, we need to rapidly and successfully develop and introduce complex new solutions in a global, competitive, demanding, and changing environment. If we lose our significant technology advantage in our products and services, our market share and growth could be materially adversely affected. In addition, if we are unable to deliver products, features, and functionality as projected, we may be unable to meet our commitments to customers, which could have a material adverse effect on our reputation and business. Significant investments in research and development efforts that do not lead to successful products, features, and functionality, could also materially adversely affect our business, financial condition, and results of operations. In 2022, we launched a new subscription-based digital solution called OmniBlu ™, which **is** ~~will be~~ a complex, evolving, and long- term initiative that ~~will involve~~ **involves** collaboration with our food- processing customers ~~. However, OmniBlu ™ may not develop in accordance with our timelines, which could result in the competitive market outpacing our development~~ . There is some uncertainty in the pace and depth of market acceptance of digital solutions in this industry. Our efforts in development and deployment of OmniBlu ™ may also divert resources and management attention from other areas of our business. We expect to continue making significant investments to support these efforts, and our ability to support these efforts is dependent on generating sufficient profits from other areas of our business. Our business, financial condition, results of operations, and cash flows could be materially adversely affected by competing technology. Some of our competitors are large multinational companies that may have greater financial resources than us, and they may be able to devote greater resources to research and development of new systems, services, and technologies than we are able to do. Moreover, some of our competitors operate in narrow business areas, allowing them to concentrate their research and development efforts more directly on products and services for those areas than we may be able to. **Our future growth is dependent on our ability to keep pace with the adoption of generative artificial intelligence and other machine learning technologies to remain competitive. Our industry is marked by rapid technological developments and innovations, such as the use of artificial intelligence and machine learning, to conform to evolving industry standards. We may be required to make significant investments in artificial intelligence to maintain our competitive position in the market. If we are unable to provide enhancements and new features and integrations for our existing product portfolio, develop new products that achieve market acceptance, or innovate quickly enough to keep pace with these rapid technological developments, our business could be harmed. Furthermore, the technical challenges associated with developing this technology may be significant, leading to risk of equipment failures, customer disruptions, or vulnerabilities that could compromise the integrity, security, or privacy of certain customer information. These failures could result in reputational damage, legal liabilities, or loss in customer confidence.** High **-** capacity products or products with new technology may be more likely to experience reliability, quality, or operability problems. Even with rigorous testing prior to release and investment in product quality processes, problems may be found in newly developed or enhanced products after such products are launched and shipped to customers. Resolution of such issues may cause project delays, additional development costs, and deferred or lost revenue. New products and enhancements of our existing products may also reduce demand for our existing products or could delay purchases by customers who instead decide to wait for our new or enhanced products. Difficulties that arise in our managing the transition from our older products to our new or enhanced products could result in additional costs and deferred or lost revenue. We may need to make significant capital and operating expenditures to keep pace with technological developments in our industry. The industries in which we participate are constantly undergoing development and change, and it is likely that new products, equipment, and service methods will be introduced in the future. We may need to make significant expenditures to purchase new equipment, develop digital solutions, and to train our employees to keep pace with any new technological developments and market. These expenditures could adversely affect our results of operations and financial condition. If we are unable to develop, preserve, and protect our intellectual property assets, our business, financial condition, results of operations, and cash flows may be negatively affected. We strive to protect and enhance our proprietary intellectual property rights through patent, copyright, trademark, and trade secret laws, as well as through technological safeguards and operating policies and procedures. It may be costly and time consuming to protect our intellectual property, and the steps we have taken to do so in the U. S. and foreign countries may not be adequate. To the extent we are not successful, our business, financial condition, results of operations, and cash flows could be materially adversely impacted. We may be unable to prevent third parties from using our technology without our authorization, or from independently developing technology that is similar to ours, particularly in those countries where the laws do not protect our proprietary rights as fully as in others. With respect to our pending patent applications, we may not be successful in securing patents for these claims, and our competitors may already have applied for patents that, once issued, will prevail over our patent rights or otherwise limit our ability to sell our products. Claims by others that we infringe their intellectual property rights could harm our business, financial condition, results of operations, and cash flows. We have seen a trend towards aggressive enforcement of intellectual property rights as product functionality in our industry increasingly overlaps and the number of issued patents continues to grow. As a result, there is a risk that we could be subject to infringement claims which, regardless of their validity, could: • be expensive, time consuming, and divert management attention away from normal business operations; • require us to pay monetary damages or enter into non- standard royalty and licensing agreements; • require us to modify our product sales and development plans; or • require us to satisfy indemnification obligations to our customers. ~~Regardless of whether these~~ **These** claims ~~have any merit, they~~ can be burdensome and costly to defend or settle and can harm our business and reputation. RISKS RELATED TO OWNERSHIP OF OUR SECURITIES The convertible note hedge and warrant transactions may negatively affect the value of the Notes and our common stock. In connection with the pricing of our Convertible Senior Notes due 2026 (the" Notes"), we entered into convertible note hedge transactions (the" Hedge Transactions") with the option counterparties. We also entered into warrant transactions with the option counterparties. The Hedge Transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of Notes and / or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be. However, the warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the strike price of the warrants. The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the Notes and prior to the maturity of the Notes (and are likely to do in connection with any conversion of the Notes or redemption or repurchase of the Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the Notes, which could affect the Note holders' ability to convert the Notes and, to the extent the activity occurs during any observation period related to a conversion of the Notes, it could affect the number of shares and value of the consideration that Note holders will receive upon conversion of the Notes. We are subject to counterparty risk with respect to the convertible note hedge transactions. The option counterparties are financial institutions, and we are subject to the risk that any or all of them might default under the Hedge Transactions. Our exposure to the credit risk of the option counterparties is not secured by any collateral. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Hedge Transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the option counterparties. Conversion of the Notes or exercise of the warrants evidenced by the warrant transactions may dilute the ownership interest of existing stockholders. At our election, we may settle the Notes tendered for conversion entirely or partly in shares of our common stock. Furthermore, the warrants evidenced by the warrant transactions are expected to be settled on a net- share basis. As a result, the conversion of some or all of the Notes or the exercise of some or all of such warrants may dilute the ownership interests of existing stockholders. Any sales in the public market of the common stock issuable upon such conversion of the Notes or such exercise of the warrants could adversely affect prevailing market prices of our common stock and, in turn, the price of the Notes. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could depress the price of our common stock. GENERAL RISKS Fluctuations in currency exchange rates could negatively affect our business, financial condition, and results of operations. A significant portion of our revenue and expenses are realized in foreign currencies. As a result, changes in exchange rates will result in increases or decreases in our costs and earnings and may adversely affect our Consolidated Financial Statements, which are stated in U. S. dollars. Although we may seek to minimize currency exchange risk by engaging in hedging transactions where we deem appropriate, we cannot be assured that our efforts will be successful. Currency fluctuations may also result in our systems and services becoming more expensive and less competitive than those of other suppliers in the foreign countries in which we sell our systems and services. Terrorist attacks and threats, escalation of military activity in response to such attacks, acts of war, or outbreak of pandemic diseases may negatively affect our business, financial condition, results of operations, and cash flows. Any future terrorist attacks against U. S. targets, rumors or threats of war, actual conflicts involving the United States or its allies, or military or trade disruptions affecting our customers or the economy as a whole may materially adversely affect our operations or those of our customers. Strategic targets such as those relating to transportation and food processing may be at greater risk of future terrorist attacks than other targets in the United States ~~. Our airport authority, airline, air cargo and ground handling customers are also particularly sensitive to safety concerns, and their businesses may decline after terrorist attacks or threats or during periods of political instability when travelers are concerned about safety issues~~ . Furthermore, outbreaks of pandemic diseases, such as COVID- 19, or the fear of such events, could provoke responses, including government- imposed travel restrictions and extended shutdown of certain businesses, customers, and / or supply chain disruptions in affected regions. As a result, there could be delays or losses in transportation and deliveries to our customers, decreased sales of our products, and delays in payments by our customers. A decline in these customers' businesses could have a negative impact on their demand for our products. It is possible that any of these occurrences, or a combination of them, could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Our existing financing agreements include restrictive and financial covenants. Certain of our loan agreements require us to comply with various restrictive covenants and some contain financial covenants that require us to comply with specified financial ratios and tests. Our failure to meet these covenants could result in default under these loan agreements and would result in a cross-default under other loan agreements. In the event of a default and our inability to obtain a waiver of the default, all amounts outstanding under loan agreements could be declared immediately due and payable. Our failure to comply with these covenants could adversely affect our results of operations and financial condition. Fluctuations in interest rates could adversely affect our results of operations and financial position. Our profitability may be adversely affected during any periods of unexpected or rapid increases in interest rates on our variable rate debt. A significant increase in interest rates ~~would~~ **may** significantly increase our cost of borrowings ~~,~~ and ~~may~~ reduce the availability and increase the cost of obtaining new debt and refinancing existing indebtedness. For additional detail related to this risk, see Part II, Item 7A," Quantitative and Qualitative Disclosure About Market Risk." Significant changes in actual investment return on pension assets, discount rates, and other factors could affect our results of operations, equity, and pension contributions in future periods. Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U. S. generally accepted accounting principles ( **"** GAAP **"** ) require that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial market and other economic conditions, which may change based on changes in key economic indicators. The most significant year- end assumptions we use to estimate pension income or expense are the discount rate and the expected long- term rate of return on plans assets. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity through a reduction or increase to accumulated other comprehensive income. For a discussion regarding how our financial statements can be affected by pension plan accounting policies, see Part II, Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations- Critical Accounting Estimates – Defined Benefit Pension and Other Post- retirement Plans and Note ~~9~~ **10** . Pension and Post- Retirement and Other Benefit Plans of the Notes to Consolidated Financial Statements in Part II, Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10- K. Although GAAP expense and pension funding contributions are not directly related, key economic factors that affect GAAP expense would also likely affect the amount of cash we would contribute to pension plans as required under the Employee Retirement Income Security Act. As a result of our acquisition activity, our goodwill and intangible assets have increased significantly in recent years **,** and we may in the future incur impairments to goodwill or intangible assets. When we acquire a business, a substantial portion of the purchase price of the acquisition is allocated to goodwill and other identifiable intangible assets. The amount of the purchase price which is allocated to goodwill is determined by the excess of the purchase price over the net identifiable assets acquired. Our balance sheet includes a significant amount of goodwill and other intangible assets, which represents approximately ~~48~~ **43** % of our total assets as of December 31, ~~2022~~ **2023** . In accordance with Accounting Standards Codification 350 Intangibles- Goodwill and Other, our goodwill and other intangibles are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and to rely heavily on projections of future operating performance. Because we operate in highly competitive environments, projections of our future operating results and cash flows may vary significantly from our actual results. If our estimates or the underlying assumptions change in the future, we may be required to record impairment charges. Any such charge could have a material adverse effect on our reported net income. As a publicly traded company, we incur regulatory costs that reduce profitability. As a publicly traded corporation, we incur certain costs to comply with regulatory requirements of the NYSE and of the federal securities laws. If regulatory requirements were to become more stringent or if accounting or other controls thought to be effective later fail, we may be forced to make additional expenditures, the amounts of which could be material. Many of our competitors are privately owned, so our accounting and control costs can be a competitive disadvantage. Our share repurchase program could increase the volatility of the price of our common stock. On December 1, 2021, the Board authorized a share repurchase program for up to $ 30 million of common stock beginning on January 1, 2022 **,** and continuing through December 31, 2024. We intend to fund repurchases through cash flows generated by our operations. The amount and timing of share repurchases are based on a variety of factors. Important factors that could cause us to limit, suspend or delay our stock repurchases include unfavorable market conditions, the trading price of our common stock, the nature of other investment opportunities presented to us from time to time, the ability to obtain financing at attractive rates, ~~and~~ the availability of U. S. cash **and restrictions imposed by U. S. securities regulations** . Repurchases of our shares will reduce the number of outstanding shares of our common stock and might incrementally increase the potential for volatility in our common stock by reducing the potential volumes at which our common stock may trade in the public market. Our actual operating results may differ significantly from our guidance. We regularly release guidance regarding our future performance that represents management' s estimates as of the date of release. This guidance, which consists of forward- looking statements, is qualified by, and subject to, the assumptions and the other information contained or referred to in the release or report in which guidance is given. Our guidance is not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accounting firm nor any other independent expert or outside party compiles or examines the guidance and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto. Guidance is based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed ~~,~~ but are not intended to represent that actual results could not fall outside of the suggested ranges. The principal reason that we release this data is to provide a basis for management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such persons. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results may vary from the guidance and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data are forecast. In light of the foregoing, investors are urged to put the guidance in context and not to place undue reliance on it. Our corporate governance documents and Delaware law may delay or discourage takeovers and business combinations that our stockholders might consider in their best interests. Provisions in our certificate of incorporation and by- laws may make it difficult and expensive for a third- party to pursue a tender offer, change- in- control, or takeover attempt that is opposed by our management and Board of Directors. These provisions include, among others: • A Board of Directors that is divided into three classes with staggered terms **(although this three- class board structure is being eliminated over the next two years as a result of an approved proposal at our 2023 Annual Meeting of Stockholders)** ; • Limitations on the right of stockholders to remove directors; • The right of our Board of Directors to issue preferred stock without stockholder approval; • The inability of our stockholders to act by written consent; and • Rules and procedures regarding how stockholders may present proposals or nominate directors at stockholders **'** meetings. Public stockholders who might desire to participate in this type of transaction may not have an opportunity to do so. These anti- takeover provisions could substantially impede the ability of public stockholders to benefit from a change- in- control or a change in our management or Board of Directors and, as a result, may adversely affect the marketability and market price of our common stock. Our indebtedness and liabilities could limit the cash flow available for our operations and we may not be able to generate sufficient cash to service all of our indebtedness. We may be forced to take certain actions to satisfy our obligations under our indebtedness or we may experience a financial failure. Our ability to make scheduled payments on or to refinance our debt obligations, including the Notes, will depend on our financial and operating performance. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the Notes. We may not be able to take any of these actions, these actions may not be successful and permit us to meet our scheduled debt service obligations and these actions may not be permitted under the terms of our future debt agreements. In the absence of sufficient operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or obtain sufficient proceeds from those dispositions to meet our debt service and other obligations then due. Our current and future indebtedness could have negative consequences for our business, results of operations and financial condition by, among other things: • increasing our vulnerability to adverse economic and industry conditions; • limiting our ability to obtain additional financing; • requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes; • limiting our flexibility to plan for, or react to, changes in our business; • diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Notes; and • placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital. In addition, our credit facility contains, and any future indebtedness that we may incur may contain, restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.