Risk Factors Comparison 2023-05-30 to 2022-05-31 Form: 10-K

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In addition to the other information set forth in this Annual Report on Form 10- K and other documents we filed with the SEC, you should carefully consider the following factors, which could materially affect our business, financial condition or results of operations in future periods. The risks and uncertainties described below are those that we have identified as material, but these are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies, such as market conditions, economic conditions, geopolitical events, changes in laws, regulations or accounting rules, fluctuations in interest rates, terrorism, wars or conflicts, major health concerns, natural disasters or other disruptions of expected business conditions. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial condition. Business and Strategic Risks Conditions in the global economy, the markets we serve, and ~~the~~ financial markets may adversely affect our business, financial statements, and access to capital markets. Our business is sensitive to general economic conditions. Slow or disrupted global economic growth, **heightened inflation,** volatility in the currency and credit markets, high levels of unemployment or underemployment **, labor availability constraints, reduced levels of capital expenditures** , changes or anticipation of potential changes in government fiscal, tax, trade and monetary policies, changes in capital requirements for financial institutions, government deficit reduction and budget negotiation dynamics, sequestration, austerity measures, sovereign debt defaults, and other challenges that adversely affect the global economy could adversely affect us and our distributors, customers and suppliers, including having the effect of: ● reducing demand for our products and services, limiting the financing available to our customers and suppliers, increasing order cancellations and resulting in longer sales cycles and slower adoption of new technologies; ● increasing the difficulty in collecting accounts receivable and the risk of excess and obsolete inventories; ● increasing price competition in our served markets; ● supply interruptions, which could disrupt our ability to produce our products; ● increasing the risk of impairment of goodwill and other long- lived assets, and the risk that we may not be able to fully recover the value of other assets such as tax assets; ● increasing the risk that counterparties to our contractual arrangements will become insolvent or otherwise unable to fulfill their contractual obligations, which could increase the risks identified above; and ● adversely impacting market sizes and growth rates. **Page 9Inflationary conditions in recent periods have resulted in the U. S. Federal Reserve and other financial regulatory bodies implementing increases in interest rates, and these increases have slowed global growth and made a recession more likely.** If growth in the global economy or in any of the markets we serve slows for a significant period, if there is significant deterioration in the global economy or such markets or if improvements in the global economy do not benefit the markets we serve, our business and financial results could be adversely affected. We cannot predict the likelihood, duration or severity of any disruption in financial markets or any adverse economic conditions in the U. S. and other countries. Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience volatility. Our growth depends in part on the growth of the markets which we serve, and visibility into our markets is limited (particularly for markets into which we sell through distribution). Any decline or lower than expected growth in our served markets could diminish demand for our products and services, which would adversely affect our financial statements. Certain ~~of our businesses operate in industries that may experience periodic, cyclical downturns. In addition, in certain~~ of our businesses' demand depends on customers' capital spending budgets as well as government funding policies, and matters of public policy and government budget dynamics as well as product and economic cycles can affect the spending decisions of these entities. Demand for our products and services is also sensitive to changes in customer order patterns, which may be affected by announced price changes, marketing or promotional programs, new product introductions, the timing of industry conferences, changes in distributor or customer inventory levels, or other factors. Any of these factors could adversely affect our growth and results of operations in any given period. We face competition and if we are unable to compete effectively, we may experience decreased demand and ~~decreased~~ market share resulting in decreased revenues. Even if we compete effectively, we may be required to reduce prices for our products and services resulting in decreased profit ~~margin~~ **margins** . The markets for our current and potential products are competitive. Because of the range of products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors ~~(refer to Item 1. Business for additional details)~~ , including several that possess both larger sales forces and greater capital resources. **In** ~~Page 10In~~ order to compete effectively, we must maintain ~~longstanding~~ relationships with major customers, continue to grow our business by establishing relationships with new customers, develop new products and services to maintain and expand our brand recognition ~~and leadership position in various product and service categories~~ , and penetrate new markets, including in developing countries and high growth markets ~~. In addition, significant shifts in industry market share can occur in connection with product problems, safety alerts and publications about products, reflecting the competitive significance of product quality, product efficacy and quality systems in our industries~~ . Our failure to compete effectively or pricing pressures resulting from competition may adversely impact our results of operations. Changing industry trends may affect our results of operations. Various changes within the industries we serve may limit future demand for our products and may include ~~the following: ● changes in dialysis reimbursements that our customers may receive; ●~~ mergers within ~~other~~ **key** industries we serve, making us more dependent ~~upon~~ **on** fewer, larger customers for our sales; ~~●~~ decreased product demand ~~,~~ driven by changes in ~~our~~ customers ~~'~~ **'** regulatory environments or standard industry practices; ~~●~~ price competition for key products ~~. ● mergers within key industries we serve, concentrating our medical meter and solutions sales with a few, large customers~~ ; and ~~●~~ new competitor products that may result in customers discontinuing new ~~orders or consumables~~ orders. Our growth depends in part on the timely development, commercialization, and customer acceptance of new and enhanced products and services based on technological innovation. Our growth depends on the acceptance of our products and services in the marketplace, the penetration achieved by the companies to which we sell, and our ability to introduce new and innovative products that meet the needs of the various markets we serve. We can offer no assurance that we will be able to continue to introduce new and enhanced products, that the products we introduce, or have introduced, will be widely accepted by the marketplace, or that our direct sales team or independent distributors will successfully penetrate our various markets. Our failure to introduce new and enhanced products or gain widespread acceptance of our products and services could adversely affect our financial results. If we fail to accurately predict future customer needs and preferences, fail to produce viable technologies, or **fail** to protect the intellectual property of such technologies, we may invest heavily in research and development of products and services that do not lead to significant revenues, which could adversely affect our profitability. Even if we successfully innovate and develop new and enhanced products and services, we may incur substantial costs in doing so, and our profitability may suffer. **Page 10If** ~~Competitors may also develop after- market services and parts for our products which attract customers and adversely affect our return on investment for new products. In addition, we face risks in connection with the retirement of old products and customer migration to new products. If~~ we are unable to continue to hire and retain **skilled** personnel, ~~then~~ we will have ~~trouble~~ **difficulty** manufacturing and marketing our products. Our success depends largely upon the continued service of our management and manufacturing employees and our ability to attract ~~and~~ **,** retain **and motivate** manufacturing and management personnel, some of whom we are recruiting for in- person positions in competitive labor markets, particularly Bozeman, Montana ~~. At times, we face significant competition in the hiring and retention of personnel in competitive markets where other employers may offer superior pay or benefits~~ . Loss of key personnel or our inability to hire and retain personnel could materially adversely affect our manufacturing efforts **, harm our ability to meet compliance requirements,** and increase backlog. Further, if we have to pay manufacturing employees higher wages to attract and retain them, our gross margins and overall profitability may decline. Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, distributors and other channel partners could adversely affect our financial statements. We sell a significant number of products to distributors and other channel partners that have valuable relationships with customers and end- users. Some of these distributors and other partners also sell our competitors' products or compete with us directly, and if they favor competing products for any reason, they may fail to market our products effectively. Adverse changes in our relationships with these distributors and other partners, or adverse developments in their financial condition, performance or purchasing patterns, could adversely affect our business and financial statements. ~~Page 11The~~ -- **The** levels of inventory maintained by our distributors and other channel partners, and changes in those levels, can also negatively impact our results of operations in any given period. In addition, the consolidation of distributors could adversely impact our business and financial statements. We cannot directly control the actions of our distributors. Our distributors may not comply with export laws, or follow the terms of the distribution agreements which require compliance with export laws, which could have legal or financial implications for us. Our international operations subject us to a wide range of risks. Our operations and sales outside of the United States have increased as a result of our strategic acquisitions and the continued expansion of our commercial organization. Risks related to these increased foreign operations include: ● fluctuations in foreign currency exchange rates, which may affect ~~the~~ **reported results from operations as well as actual** costs ~~incurred in international operations and could harm our results of operations and financial condition~~ ; ● interruption in the transportation of materials to us and finished goods to our customers; ● differences in terms of sale, including longer payment terms than are typical in the United States; ● local product preferences and product requirements; ● trade protection measures, embargoes and import or export restrictions and requirements; ● unexpected changes in laws or regulatory requirements, including changes in **labor or** tax laws; ● capital controls and limitations on ownership and on repatriation of earnings and cash; ● changes in general economic and political conditions in countries where we operate, particularly as a result of ongoing economic instability within foreign jurisdictions; ● difficulty in staffing and managing widespread operations; ● differing labor or employment regulations; ● difficulties in implementing restructuring actions on a timely or comprehensive basis; ● differing protection of intellectual property; and ● greater uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, including with respect to product and other regulatory approvals. International business risks have in the past and may in the future negatively affect our business and financial statements. A deterioration in diplomatic relations between the United States and any country where we conduct business could adversely affect our future operations and lead to a decline in profitability. Changes in U. S. policy regarding international trade, including import and export regulation and international trade agreements, could also negatively impact our business. Tariffs imposed by the U. S. on a broad range of imports or trade measures imposed by other countries could result in an increase in supply chain costs that we may not be able to offset or that could otherwise adversely impact our results of operations. **Page** ~~Our~~ **11Our** international operations are governed by the U. S. Foreign Corrupt Practices Act and similar anti- corruption laws outside the **United States** ~~U. S~~ . Global enforcement of anti- corruption laws has increased in recent years, with more enforcement proceedings by U. S. and foreign governmental agencies and the imposition of significant fines and penalties. Our international operations, which often involve customer relationships with foreign governments, create the risk that there may be unauthorized payments or offers of payments made by employees, consultants, or distributors. Any alleged or actual violations of these laws may subject us to government investigations and significant criminal or civil sanctions and other liabilities, and negatively affect our reputation. ~~Uncertainties remain regarding the consequences of the UK ceasing to be a member state of the EU on January 31, 2020 (commonly referred to as " Brexit "), including the application of the terms of the trade and cooperation agreement with the EU, the impact of new or different laws and regulations as the UK determines which EU laws to replace or replicate, and trade and tax impacts as the UK negotiates its own tax and trade treaties with countries around the world. The impacts from Brexit could add time and expense to the conduct of our business, delay regulatory approval of products, adversely impact the manufacturing or movement of products, adversely impact customer demand, and otherwise adversely affect our business and~~

~~financial statements both inside and outside the UK.~~ The COVID- 19 pandemic ~~has~~ **, or similar public health crises, could have an** ~~adversely~~ -- **adverse** ~~impacted~~ -- **impact** and ~~continues to pose risks~~ - **risk** to our business. Since December 2019, ~~an outbreak of a novel strain of a virus named SARS- CoV- 2, which causes~~ COVID- 19 ~~,~~ **has** spread to countries in which we or our customers and suppliers operate ~~, including the United States~~ and **has** caused major disruption ~~throughout the year~~ . The COVID- 19 **virus** ~~pandemic continues to evolve, and to date,~~ has led to the implementation of various responses, including government- imposed quarantines, extended business closures, travel restrictions and other public health safety measures, as well as reported adverse impacts on healthcare resources, facilities and providers across the United States and in other countries. **Our business operations were impacted by such** ~~Page 12In response to COVID- 19 and in accordance with direction from state and local government authorities, we restricted and may continue to restrict access to our facilities to our office- based employees and monitored and responded to certain external factors in instituting limited travel~~ restrictions ~~during fiscal year 2022~~ . ~~In addition, many~~ **Many** of our customers and potential customers closed facilities or limited facility hours due to the spread of COVID- 19. Such closures have resulted in, and may continue to result in, our inability to demonstrate and install some of our products, **and** ~~as well as~~ lower demand for certain products. Any interruptions in the installation of ordered products could delay our ability to recognize revenues in a particular period ~~. In addition, we must maintain sufficient production capacity in order to meet anticipated customer demand, which carries fixed costs that we may not be able to offset if installations cannot occur, which would adversely affect our operating margins~~ . We operate on a global basis with offices or operations in North America, Europe, and Asia, and global health crises, such as COVID- 19, could result in a widespread economic downturn in the industries in which we and our customers operate. The extent to which outbreaks ~~impacts~~ - **impact** our business and the businesses of our customers will depend on future developments, which remain ~~highly~~ uncertain and cannot be predicted with confidence, such as the **impact** ~~continued geographic spread~~ of **new** ~~the disease, the duration of outbreaks, and actions taken in the United States and elsewhere to contain outbreaks and treat the disease, such as vaccination rates and efficacy, social distancing and quarantines,~~ business closures and business disruptions. ~~Recent COVID~~ **Government mandated shut** - **downs** ~~19 outbreaks~~ and **restrictions** ~~resulting lockdowns~~ in China ~~have~~ adversely impacted revenues from our Clinical Genomics division during fiscal year ~~2022, and we expect continued adverse impacts on revenues from our Clinical Genomics division and, to a lesser extent, the rest of the company in fiscal year~~ 2023. Some ~~factors from~~ **effects of** the COVID- 19 pandemic that could delay or otherwise adversely affect our operations and performance include ~~: •~~ disruptions in our supply chains **,** ~~; •~~ limitations on travel that could interrupt our ability to **market products and** provide ~~installation~~ **installations** or maintenance services at customer sites **,** ~~and could impact our ability to effectively market our products; •~~ interruption in global shipping affecting the transport of our products and ~~other~~ supplies **,** ~~; •~~ restrictions on business operations by ~~local, state, or federal~~ governments **,** ~~; • business disruptions or cybersecurity risks associates with a substantial portion of our workforce working from home for extended periods of time; • the impact~~ **impacts** ~~of~~ **to** the valuation of our financial assets due to market volatility ~~; • interruption or delays in the operations of the FDA and comparable foreign regulatory agencies~~ , ~~which may impact review, inspection, clearance,~~ and ~~approval timelines; •~~ delays in partner clinical trials due to government- imposed restrictions or lockdowns in China **, among others** . The COVID- 19 pandemic could also have the effect of heightening other risk factors described in this report **. Although the COVID- 19 pandemic has largely subsided as a public health matter, we may experience material adverse impacts to our business as a result of the pandemic' s adverse impact on the global economy, in- person collaboration and sales efforts, and our customers' changed purchasing behaviors and confidence** . Operational Risks A significant disruption in, or breach in security of, our information technology systems or data could adversely affect our business, reputation and financial statements. We rely on information technology systems, some of which are provided or managed by third- parties, to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers, and other business partners), and to manage or support a variety of critical business processes and activities (such as receiving and fulfilling orders, billing, collecting and making payments, shipping products, providing services and support to customers and fulfilling contractual obligations). In addition, some products or software we sell to customers may connect to our systems for maintenance or other purposes, and we sell software as a service and cloud- based platforms. These systems, products and services (including those we acquire through business acquisitions) may be damaged, disrupted or shut down due to attacks by computer hackers, computer viruses, ransomware, human error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. Attacks may also target hardware, software and information installed, stored or transmitted in our products after such products have been purchased and incorporated into third- party products, facilities or infrastructure. Security breaches of systems provided or enabled by us, regardless of whether the breach is attributable to a vulnerability in our products or services, could result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data belonging to us or to our employees, partners, customers, ~~patients~~ or suppliers. Our information technology systems have been subject to computer viruses, malicious codes, unauthorized access and other cyber- attacks and we expect the sophistication and frequency of such attacks to continue to increase. Unauthorized tampering, adulteration or interference with our products may also adversely affect product functionality and result in loss of data, risk to ~~patient~~ **product** safety and product recalls or field actions. Page ~~13Any~~ **12Any** attacks, breaches or other disruptions or damage could interrupt our operations or the operations of our customers and partners, delay production and shipments, result in theft of our and our customers’ intellectual property and trade secrets, damage customer, business partner, and employee relationships, and our reputation **,** or result in defective products or services, legal claims and proceedings, liability and penalties under privacy laws and increased costs for security and remediation, each of which could adversely affect our business, reputation and financial statements. Further, a significant number of our employees work remotely, which exposes us to greater cybersecurity risks. Any inability to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches can result in adverse regulatory consequences, business consequences and litigation. We face numerous manufacturing and supply chain risks. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies. We purchase materials, components and equipment from third parties for use in our manufacturing operations. Our results of operations could be adversely impacted if we are unable to adjust our purchases to reflect changes in customer demand and market fluctuations ~~, including those caused by seasonality or cyclicality~~ . Suppliers may extend lead times, limit supplies or increase prices. If we cannot purchase sufficient products at competitive prices and **of sufficient** quality ~~and~~ on a timely enough basis to meet increasing demand, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase, or we may breach our contractual commitments and incur liabilities. In addition, some of our businesses purchase certain required products from sole or limited source suppliers for reasons of quality assurance, regulatory requirements, cost effectiveness, availability or uniqueness of design. If these or other suppliers encounter financial, operating or other difficulties or if our relationship with them changes, we might not be able to quickly establish or qualify replacement sources of supply. The supply chains for our businesses were impacted in fiscal year ~~2022~~ **2023** and could also be disrupted in the future by supplier capacity constraints, supplier bankruptcy or exiting of the business for other reasons, decreased availability of key raw materials or commodities and external events such as natural disasters, pandemics or other public health problems, war, terrorist actions, governmental actions and legislative or regulatory changes. Any of these factors could result in production interruptions, delays, extended lead times and inefficiencies. **Our revenues and other operating results depend in large part on our ability to manufacture and assemble our products in sufficient quantities and in a timely manner.Any interruptions we experience in the manufacture or shipment of our products or changes to the way we manufacture products could delay our** ability to recognize revenues in a particular **period** ~~quarter.Manufacturing problems can and do arise,and as demand for our products increases,any such problems could have an increasingly significant impact on our operating results.We may not be able to quickly ship products and recognize anticipated revenues if we experience significant delays in the manufacturing process~~ .In addition,we must maintain sufficient production capacity in order to meet anticipated customer demand,which carries fixed costs that we may not be able to offset if orders slow,which would adversely affect our operating margins.If we are unable to manufacture our products consistently,in sufficient quantities,and on a timely basis,our revenues,gross margins and our other operating results will be materially and adversely affected **.** Because we cannot always immediately adapt our production capacity and related cost structures to changing market conditions, our manufacturing capacity may at times exceed or fall short of our production requirements. Any or all of these problems could result in the loss of customers, provide an opportunity for competing products to gain market acceptance, and otherwise adversely affect our financial condition. Our financial results are subject to fluctuations in the cost and availability of components and commodities that we use in our operations. **Our** ~~As discussed in Item 1. Business — Manufacturing and Materials, our~~ manufacturing ~~and other~~ operations employ a wide variety of components ~~,~~ and raw materials and other commodities, including metallic- based components, electronic components, chemicals, and plastics and other petroleum- based products. Prices for and availability of these components, and raw materials and other commodities have fluctuated significantly in the past, and more recently have increased. Any sustained interruption in the supply of these items could **disrupt production, delay customer order fulfillments, and** adversely affect our business. In addition, due to the highly competitive nature of the industries that we serve, the cost- containment efforts of our customers and the terms of certain contracts we are party to, if components and commodity prices rise, we may be unable to pass along cost increases through higher prices. If we are unable to fully recover higher costs through price increases or offset these increases through cost reductions, or if there is a time delay between the increase in costs and our ability to recover or offset these costs, our margins and profitability could decline, and our financial statements could be adversely affected. ~~We are dependent on our suppliers to deliver components, and a shortage of and increasing prices of components have and could continue to disrupt our production and delay order fulfillment. Products we sell are made of components, including electronic components, glass, plastics, and packaging that we source globally from suppliers who, in turn, source components from their suppliers. If there is a shortage of a key component in our supply chain, and the component cannot be easily sourced from a different supplier, the shortage may disrupt our production which may, in turn, delay order fulfillment. We are currently experiencing long lead times, and in some cases, difficulty obtaining components from our existing suppliers, which has resulted in delayed order fulfillment to varying degrees in our divisions, especially the Calibration Solutions and Biopharmaceutical Development divisions, and to a lesser extent the Sterilization and Disinfection Control and Clinical Genomics divisions.~~ Page ~~14In~~ **13In** addition, ~~costs for components and~~ transportation costs have increased, which may reduce our gross profit margins unless and until we are able to pass the cost increases along to our customers. There are several reasons for the supply chain disruptions to components that we rely on to manufacture our products, including: increased demand for other products that use the same components as those we purchase, manufacturing shut- downs ~~during the past 18 months~~ that reduced production of components, obsolescence of materials we have historically purchased, labor issues, and long lead times for raw materials used in the production of components. A continued shortage of components or other key materials that comprise the components could cause a significant disruption to our production schedule and have a substantial adverse effect on our financial condition or results of operations. Significant developments or uncertainties stemming from the U. S. administration, including changes in U. S. trade policies, tariffs and the reaction of other countries thereto could have an adverse effect on our business. Changes, potential changes or uncertainties in U. S. social, political, regulatory and economic conditions or laws and policies governing foreign trade, manufacturing, and development and investment in the territories and countries where we or our customers operate, or governing the health care system, can adversely affect our business and financial statements. For example, trade tensions between the United States and China remain high, and each country has continued to impose significant tariffs on a wide range of goods imported from the other country. China accounted for approximately ~~9~~ **12** % of our sales during the year ended March 31, ~~2022~~ **2023** . These factors have adversely affected, and in the future could further adversely affect, our business and financial statements. Macroeconomic pressures in the markets in which we operate may adversely affect our financial results. Geopolitical issues around the world can impact macroeconomic conditions and could have a material adverse impact on our financial results. For example, the ultimate impact of the conflict in Ukraine on fuel prices, inflation, the global supply chain and other macroeconomic conditions is unknown and could materially adversely affect global economic growth, disrupting discretionary spending habits and generally decreasing demand for our products and services. While we do not purchase any ~~of~~ significant raw materials directly from Russia, it is a significant global producer of fuel, nickel, and copper. Disruptions in the markets for those inputs could negatively impact the ~~macroeconomy~~ **global economy** . We cannot predict the extent or duration of sanctions in response to the conflict in Ukraine, nor can we predict the effects of legislative or other governmental actions or regulatory scrutiny of Russia and Belarus, Russia' s other allies or other countries with which Russia has significant trade or financial ties, including China. ~~The conflict in Ukraine may also exacerbate geopolitical tensions globally.~~ While our sales to Russia have historically produced an immaterial amount of revenues and profitability compared to the overall company, we cannot predict the impact that the conflict may have on future financial results. ~~For example, Russian customers for some of our product lines may choose a competitors' product and we may not be able to regain the business, including future sales to those Russian customers.~~ Violation of data privacy laws could adversely affect our business, reputation and financial statements. If we are unable to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer adverse regulatory consequences, business consequences and litigation. As a multinational organization, we are subject to data privacy and security laws, regulations, and customer- imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal and / or sensitive data in the course of our business. The EU General Data Protection Regulation ~~impose~~ **imposes** strict requirements ~~in~~ **on** how we collect and process personal data, including, among other things, a requirement for prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances and significant fines for non- compliance. Data privacy laws in other jurisdictions, such as California and Colorado, also impose data privacy obligations. Government enforcement actions can be costly and interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, reputation and financial statements. In addition, compliance with the varying data privacy regulations around the world may require significant expenditures and may require changes in our products or business models that ~~increase competition or~~ reduce revenues. Changes to dialysis methods **and equipment capabilities** may decrease demand for our dialysis products and negatively impact our financial statements. **Our** ~~In July 2019, an executive order was signed by the President of the United States that is intended to change the way that kidney care is delivered to patients and reimbursed through government- sponsored medical programs. The executive order' s objectives included encouraging dialysis patients to receive treatments through in- home care rather than at a dialysis clinic and also reducing the number of people developing kidney failure. The extent of the impact of the executive order, as well as the timing of the impact on procedures and the market in general is currently unknown. Page 15Currently, our~~ Dialyguard product line accounts for approximately one- third of the revenues and gross margin associated with our Calibration Solutions division. The majority of ~~the~~ revenues in our Dialyguard business are associated with products ~~that are~~ used in dialysis clinics, while a smaller portion of our sales relate to in **-** home care. ~~Another recent development is~~ **Technological advancements, such as** dialysis machines that feature built- in dialysis calibration functionalities ~~.~~ **, have and may continue to adversely affect** ~~Demand~~ **demand** for our dialysis products ~~may be adversely affected by these or other developments in the dialysis industry~~ . ~~We~~ **Page 14We** may be unable to efficiently manage our growth as a larger and more geographically diverse organization. Our strategic acquisitions and the continued organic expansion of our commercial sales operations have increased the scope and complexity of our business. As a result, we face challenges inherent in efficiently managing a more complex business with an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs. Our inability to manage successfully a substantially larger and geographically more diverse (including from a cultural perspective) organization could materially adversely affect our operating results and **financial statements** ~~, as a result, the market price of our common stock~~ . If we suffer loss to our facilities, supply chains, distribution systems or information technology systems due to a catastrophic event, our operations could be seriously harmed. Our facilities, supply chains, distribution systems and information technology systems are subject to catastrophic loss due to fire, flood, earthquake, hurricane, pandemics and epidemics and other public health crises, war, terrorism or other natural or ~~man~~ **human** - made disasters. If any of these facilities, supply chains or systems were to experience a catastrophic loss, it could disrupt our operations, delay production and shipments, result in defective products or services, damage customer relationships and our reputation and result in legal exposure and large repair or replacement expenses. Our insurance coverage with respect to natural disasters is limited and is subject to deductible and coverage limits and may be unavailable or insufficient to protect us against such losses. The health care industry and related industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, which could adversely affect our financial statements. Participants in the health care industry and related industries have implemented, and are implementing, significant changes in an effort to reduce costs. Many of the end- users to whom our customers supply products rely on government funding of and reimbursement for health care products and services and research activities. The U. S. Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the " PPACA "), health care austerity measures in other countries and other potential health care reform changes and government austerity measures have reduced and may further reduce the amount of government funding or reimbursement available to customers or end- users of our products and services and / or the volume of medical procedures using our products and services ~~. Global economic uncertainty or deterioration can also adversely impact government funding and reimbursement~~ . These changes as well as other impacts from market demand, government regulations, third- party coverage and reimbursement policies and societal pressures have started changing the way healthcare is delivered, reimbursed and funded and may cause participants in the health care industry and related industries that we serve to purchase fewer of our products and services, reduce the prices they are willing to pay for our products or services, reduce the ~~amounts~~ - **amount** of reimbursement and funding available for our products and services from governmental agencies or third- party payors, affect the acceptance rate of new technologies and products and increase our compliance and other costs. All of the factors described above could adversely affect our business and financial results. ~~Defects or quality issues associated with our products could adversely affect the results of our operations. Manufacturing or design defects or " bugs " in, unanticipated use of, safety or quality issues (or the perception of such issues) with respect to, standard use of, " off label " use of, or inadequate disclosure of risks relating to the use of products and services that we make or sell (including items that we source from third parties or that we provide to third parties who sell on our behalf) can lead to property damage, loss of profits or other liability. These~~ -- **The** ~~events could lead to recalls or safety alerts, result in the removal of a product or service from the market and result in product liability or similar claims being brought against us. Recalls, removals and product liability and similar claims (regardless of their validity or ultimate outcome) can result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services. Any of the above can result in the discontinuation of marketing of such products in one or more countries and give rise to claims for damages from persons who believe they have been injured as a result of product issues, including claims by individuals or groups seeking to represent a class. Page 16The~~ manufacture of many of our products is a highly exacting and complex process, and if we directly or indirectly encounter problems manufacturing products, our reputation, business and financial results could suffer. The manufacture of many of our products is a highly exacting and complex process, due in part to strict regulatory requirements. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, natural disasters and environmental factors, and if not discovered before the product is released to market could result in recalls and product liability exposure. Because of the time required to approve and license certain regulated manufacturing facilities and other stringent regulations of the FDA and similar agencies regarding the manufacture of certain of our products, an alternative manufacturer may not be available on a timely basis to replace such production capacity. Any of these manufacturing problems could result in significant costs, liability ~~and~~ **,** lost revenues, **and** loss of market share **,** as well as negative publicity and damage to our reputation that could reduce demand for our products. Our failure to maintain appropriate environmental,...... to attract and retain top talent. Climate change, or legal or regulatory measures to address climate change **and sustainability** , may negatively affect us **, and any actions we take or fail to take in response to such matters could damage our reputation** . Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could present risks to our operations. Physical risk resulting from acute changes (such as ~~hurricane~~ **hurricanes** , ~~tornado~~ **tornados** , ~~wildfire~~ **wildfires** or flooding) or chronic changes (such as droughts, heat waves or sea level changes) in climate patterns can adversely impact our facilities and operations and disrupt our supply chains and distribution systems. Concern over climate change can also result in new or additional legal or regulatory requirements designed to reduce greenhouse gas emissions and / or mitigate the effects of climate change on the environment (such as taxation of, or caps on the use of, carbon- based energy). Any such new or additional legal or regulatory requirements may increase the costs associated with, or disrupt, sourcing, manufacturing and distribution of our products, which may adversely affect our business and financial statements. **Page** If we are unable to manufacture our...... be materially and adversely affected. Acquisition **15Acquisition** Risks Any inability to consummate acquisitions at our historical rate and at appropriate prices could negatively impact our growth rate and stock price. Our ability to grow revenues, earnings and cash flows at or above our historic rates depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices and realize anticipated synergies. We may not be able to consummate acquisitions at rates similar to the past, which could adversely impact our growth rate and our stock price. Promising acquisitions are difficult to identify and ~~complete~~ **execute** for a number of reasons, including high valuations, competition among prospective buyers, the availability of affordable funding in the capital markets, and the need to satisfy applicable closing conditions. ~~In addition, competition for acquisitions may result in higher purchase prices.~~ Changes in accounting or regulatory requirements, or instability in the credit markets, or global ~~crisis~~ **crises** that ~~prevents~~ - **prevent** travelling or other activities necessary for acquisitions could also adversely impact our ability to consummate acquisitions. ~~Page 17Our~~ -- **Our** acquisition of businesses could negatively impact our financial statements. ~~As an important part of our business strategy, we acquire businesses, some of which may be material. Please see Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations for additional details. These acquisitions~~ **Acquisitions** involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could adversely affect our business and our financial statements: ● any business, technology, service or product that we acquire could under- perform relative to our expectations and the price that we paid for it, or not perform in accordance with our anticipated timetable, or we could fail to make such business profitable; ● we may incur or assume significant debt in connection with our acquisitions which could cause a deterioration of our credit rating, result in increased borrowing costs and interest expense and diminish our future access to the capital markets; ● acquisitions could cause our results of operations to differ from our own or the investment community' s expectations in any given period, or over the long- term; ● pre- closing and post- closing acquisition- related earnings charges could adversely impact our results of operations in any given period, and the impact may be substantially different from period to period; ● acquisitions could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address, or for which we may incur additional costs; ● we could experience difficulty in integrating personnel, operations, financial and other systems, and in retaining key employees and customers; ● we may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition; ● we may assume by acquisition unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company' s activities. The realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position or cause us to fail to meet our public financial reporting obligations; ● in connection with acquisitions, we ~~often~~ **may** enter into post- closing financial arrangements such as purchase price adjustments, earn- out obligations and indemnification obligations, which may have unpredictable financial results; and ● as a result of our acquisitions, we have recorded significant goodwill and intangible assets on our balance sheets. If we are not able to realize the value of these assets, we may be required to incur charges relating to the impairment of these assets, which could materially impact our financial results. ~~If intangible assets and goodwill that we recorded in connection with our acquisitions become impaired, we may have to take significant charges against earnings. In connection with the accounting for our completed acquisitions, we recorded a significant amount of intangible assets, including developed technology and customer relationships relating to the acquired product lines, and goodwill. Under accounting principles generally accepted in the United States (" GAAP "), we must assess, at least annually and potentially more frequently, whether the value of intangible assets and goodwill has been impaired. Intangible assets and goodwill will be assessed for impairment in the event of an impairment indicator. Any reduction or impairment of the value of intangible assets and goodwill will result in a charge against earnings, which could materially adversely affect our results of operations and shareholders' equity in future periods.~~ The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities, or we may have acquisition agreements with no indemnification protection at all. Certain of the acquisition agreements by which we have acquired companies require the former owners to indemnify us against certain liabilities related to the operation of the company before we acquired it. In most of these agreements, however, the liability of the former owners is limited, and certain former owners may be unable to meet their indemnification responsibilities. We cannot guarantee that these indemnification provisions will protect us fully or at all, and as a result we may face unexpected liabilities that could adversely impact our financial statements. In addition, we may enter into acquisition agreements that have no indemnification protection at all. Future strategic transactions or acquisitions may require us to seek additional financing, which we may not be able to secure on favorable terms, ~~if~~ **or** at all. We actively evaluate various strategic transactions on an ongoing basis, and in order to complete such transactions, we may need to seek additional financing. We may not be able to secure such financing on favorable terms, or at all. In addition, future acquisitions may require the issuance or sale of additional equity or debt securities, which may result in ~~additional~~ dilution to our stockholders. Page ~~18Legal~~ **16Legal** , Regulatory, Compliance, and Reputational Risks We are subject to lawsuits and regulatory proceedings. We have been a defendant in a number of lawsuits, and in the future are subject to the possibility of a variety of litigation and regulatory proceedings, including claims for damages arising out of the use of products or services and claims relating to intellectual property matters, employment matters, tax matters, commercial disputes, product liability, marketing matters, insurance coverage, competition and sales and trading practices, environmental matters, product retirement, personal injury, and acquisition or divestiture- related matters, as well as regulatory investigations or enforcement. We may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, divested businesses. Any of these lawsuits may include claims for compensatory damages, punitive and consequential damages or injunctive relief. The defense of these lawsuits may divert our management' s attention, we may incur significant expenses in defending these lawsuits, and we may be required to pay damages or settlements or become subject to equitable remedies that could adversely affect our operations and financial results. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. In addition, developments in proceedings in any given period may require us to adjust ~~the~~ loss contingency estimates that we have recorded in our financial statements, record estimates for liabilities or assets previously not susceptible of reasonable estimates or pay cash settlements or judgments. Any of these developments could adversely affect our financial results in any given period. We cannot make assurances that our liabilities in connection with litigation and other legal regulatory proceedings will not exceed our estimates or adversely affect our financial results and business. Please see Note 13. " Commitments and Contingencies " of **the** Notes to Consolidated Financial Statements contained in Item 8. Financial Statements and Supplementary Data for additional discussion. Our reputation, ability to do business and prepare financial statements may be impaired by improper conduct by any of our employees, agents or business partners. We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by employees, agents or business partners of ours (or of businesses we acquire or partner with) that would violate U. S. and / or non- U. S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, export and import compliance, money laundering and data privacy. If we do not or cannot adequately protect our intellectual property, if third parties infringe our intellectual property rights, or if we or our customers are alleged to infringe upon others' intellectual property rights, we may suffer competitive injury or expend significant resources enforcing or defending our rights. We own patents, trademarks, copyrights, trade secrets and other intellectual property and licenses to intellectual property owned by others, which in the aggregate are important to our business. The intellectual property rights that we obtain, however, may not be sufficiently broad or otherwise may not provide us a significant competitive advantage, and patents may not be issued for pending or future patent applications owned by or licensed to us. In addition, the steps that we and our licensors have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented or designed- around, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. In addition, we or our customers may be alleged to infringe upon the intellectual property of third parties. Our failure to obtain or maintain intellectual property rights that convey competitive ~~advantage~~ **advantages** , adequately protect our intellectual property, detect or prevent circumvention or unauthorized use of such property, and **limit** the cost of enforcing our intellectual property rights or defending against any allegation of infringement, could adversely impact our competitive position and results of operations. We are subject to extensive regulation. The process of obtaining and maintaining required regulatory approvals is lengthy, expensive and uncertain. We can offer no assurance that delays will not occur in the future **that** ~~, which~~ could have a significant adverse effect on our ability to introduce new products on a timely basis. Regulatory agencies periodically inspect our manufacturing facilities to ascertain compliance with " good manufacturing practices " and can subject approved products to additional testing and surveillance programs. Page ~~19Failure~~ **17Failure** to comply with applicable regulatory requirements can, among other things, result in fines, suspension of regulatory approvals, product recalls, operating restrictions and criminal penalties. If we fail to comply with regulatory requirements, it could have an adverse effect on our results of operations and financial condition. ~~The regulations we are subject to have tended to become more stringent over time and may be inconsistent across jurisdictions.~~ We, our representatives and the industries in which we operate may at times be under review and / or investigation by regulatory authorities. Compliance with applicable regulations may affect our returns on investment, require us to incur significant expenses or modify our business model or impair our flexibility in modifying product, marketing, pricing or other strategies ~~for growing our business~~ . Our products and operations are also often subject to the rules of industrial standards bodies such as the International Standards Organization, and failure to comply with these rules could result in withdrawal of certifications needed to sell our products and services and otherwise adversely impact our business and financial statements. Certain of our products are medical devices and other products subject to regulation by the U. S. FDA, by other federal and state governmental agencies, **or** by comparable agencies of other countries and regions. We cannot guarantee that we will be able to obtain regulatory clearance (such as 510 (k) clearance) or approvals for ~~our~~ new products or modifications to (or additional indications or uses of) existing products within our anticipated timeframe or at all, and if we do obtain such clearance or approval, it may be time- consuming, costly and subject to restrictions. Our ability to obtain such regulatory clearances or approvals will depend on many factors and the process for obtaining such clearances or approvals could change over time and may require the withdrawal of products from the market until such clearances are obtained. The global regulatory environment has become increasingly stringent and unpredictable. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations. ~~For example, the EU Medical Device Regulation (the " EU MDR ") imposes strict requirements for the marketing and sale of medical devices, including in the area of clinical evaluation requirements, quality systems and post- market surveillance. Failure to meet the requirements could adversely impact our business in the EU and other regions that tie their product registrations to the EU requirements.~~ Ensuring that our internal operations and business arrangements with third parties comply with applicable laws and regulations involves substantial costs. It is also possible that government authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law. Noncompliance with applicable laws and regulations can result in, among other things, fines, expenses, injunctions, civil penalties, recalls or seizures of products, total or partial suspension of production, failure to receive 510 (k) clearance of devices, withdrawal of marketing approvals, ~~reputation~~ **reputational** damage, business disruption, loss of customers ~~and~~ **,** disbarment from selling to certain federal agencies, criminal prosecutions and other adverse effects. Further, defending against any such actions can be costly and time- consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions brought against us, our business may be **negatively** ~~impaired~~ **impacted** . Off- label marketing of our products could result in substantial penalties. The FDA strictly regulates the promotional claims that may be made about approved or cleared products. In particular, any clearances we may receive only permit us to market our products for the uses indicated on the labeling cleared by the FDA. We may request additional label indications for our current products, and the FDA may deny those requests outright, require additional data to support any additional indications or impose limitations on the intended use of any cleared products as a condition of clearance. If the FDA determines that we have marketed our products for off- label use, we can be subject to fines, injunctions or other penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our business activities to constitute promotion of an off- label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, substantial monetary penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs, and / or the curtailment of our operations. Any of these events could significantly harm our business and financial results. Certain modifications to our products may require new 510 (k) clearances or other marketing authorizations and may require us to recall or cease marketing our products. Once a medical device is permitted to be legally marketed in the United States pursuant to a 510 (k) clearance, a manufacturer may be required to notify the FDA of certain modifications to the device. Manufacturers determine in the first instance whether a change to a product requires a new 510 (k) clearance or premarket submission, but the FDA may review any manufacturer' s decision. The FDA may not agree with our decisions regarding whether new clearances are necessary. We have made modifications to our products in the past and have determined based on our review of the applicable FDA regulations and guidance that in certain instances new 510 (k) clearances or other premarket submissions were not required. We may make similar modifications or add additional features in the future that we believe do not require a new 510 (k) clearance. If the FDA disagrees with our determinations and requires us to submit new 510 (k) notifications, we may be required to cease marketing or to recall the modified product until we obtain clearance, and we may be subject to significant regulatory fines or penalties. Page ~~20Changes~~ **18Changes** in governmental regulations may reduce demand for our products or services or increase our expenses. We compete in markets in which we and our customers must comply with federal, state, and other jurisdictional regulations, such as regulations governing health and safety, food and drugs, privacy and electronic communications. We develop, configure and market our products and services to meet customer needs created by these regulations. These regulations are complex, change frequently, have tended to become more stringent over time and may be inconsistent across jurisdictions. Any significant change in any of these regulations (or in the interpretation or application thereof) could reduce demand for, increase our costs of producing or delay the introduction of new or modified products and services, or could restrict our existing activities, products and services. In addition, in certain of our international markets our growth depends in part upon the introduction of new regulations. In these markets, the delay or failure of governmental and other entities to adopt or enforce new regulations, the adoption of new regulations which our products and services are not positioned to address or the repeal of existing regulations, could adversely affect demand. In addition, regulatory deadlines may result in substantially different levels of demand for our products and services from period- to- period. Product liability suits against us, product defects or unanticipated use or inadequate disclosure with respect to our products or services could adversely affect our business, reputation and our financial statements. Manufacturing or design defects in, unanticipated use of, safety or quality issues (or the perception of such issues) with respect to, or inadequate disclosure of risks relating to the use of products and services that we make or sell ~~(~~ **,** including items that we source from third parties ~~)~~ **,** can lead to personal injury, property damage or other liability. These events could lead to recalls or safety alerts, ~~result in~~ the removal of a product or service from the market and ~~result in~~ product liability or similar claims being brought against us. Recalls, removals and product liability and similar claims ~~(~~ **,** regardless of their validity or ultimate outcome ~~)~~ **,** can result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services. Our product liability insurance may not adequately cover our costs arising from defects in our products or otherwise. We are subject to export and import control laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate such laws and regulations. We are subject to U. S. export controls and sanctions regulations that restrict the shipment or provision of certain products and services to certain countries, governments, and persons. While we take precautions to prevent our products and services from being exported in violation of these laws, we cannot guarantee that the precautions we take will prevent violations ~~of export control and sanctions laws~~ . If we are found to be in violation of U. S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us. We may also be adversely affected through other penalties, reputational harm, loss of access to certain markets, or otherwise. Complying with export control and sanctions regulations may be time- consuming and may result in the delay or loss of sales opportunities or impose other costs. Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons or technologies targeted by such regulations, could result in our decreased ability to export or sell certain products to existing or potential customers in affected jurisdictions. We are subject to laws and regulations governing government contracts. We are subject to laws and regulations governing government contracts, and failure to address these laws and regulations or comply with government contracts could harm our business by leading to a reduction in revenues associated with these customers. We have agreements relating to the sale of our products to government entities and, as a result, we are subject to various statutes and regulations that apply to companies doing business with the government. We are also subject to investigation for compliance with the regulations governing government contracts. A failure to comply with these regulations could result in suspension of these contracts, criminal, civil and administrative penalties or debarment. **Page** ~~Financial~~ **19Financial** and Tax Risks We may be required to recognize additional impairment...... of existing standards and pronouncements, could have a significant effect on our reported results...... or prevent fraud. If we identify **identified** ~~a~~ material ~~weakness~~ **weaknesses** in our internal control over financial reporting ~~, our ability to meet our reporting obligations and the trading price of our stock could be negatively affected~~ . **If we** ~~Effective internal controls~~ are ~~necessary~~ **unable** to **develop and maintain** ~~provide reliable financial reports and~~ - **an** ~~to assist in the~~ effective ~~prevention~~ **system** of ~~fraud. Any inability to provide reliable financial reports or prevent fraud could harm our business. We regularly review and update our internal controls, disclosure controls and procedures, and corporate governance policies. In addition, we are required under the Sarbanes- Oxley Act of 2002 to report annually on our~~ internal control over financial reporting **, we may not be able to accurately report our financial results in a timely manner or prevent fraud, which may adversely affect investor confidence in our financial reporting and adversely affect our business and operating results and the market price for our common stock** . ~~Any system~~ **Under Section 404** of **the Sarbanes- Oxley Act of 2002 and rules promulgated by the SEC, companies are required to conduct an annual comprehensive evaluation of their** internal ~~controls~~ - **control over financial reporting** ~~, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met~~ . **Further** ~~If we~~ , ~~or~~ **each year** our independent registered public accounting firm ~~, determine that~~ **is required to attest to and report on the effectiveness of** our internal control over financial reporting ~~is~~ **. Management concluded that as of March 31, 2023, our internal control over financial reporting was** not effective **. As described** ~~, discover areas that need improvement~~ in ~~the future or discover a~~ **" Part II, Item 9A — Controls and Procedures," we identified two** material ~~weakness~~ **weaknesses** ~~,~~ **in** ~~these~~ -- **the design** ~~shortcomings could have an~~ **and operation of** ~~adverse effect on~~ our ~~business and~~ **internal control over** financial ~~results, and the price~~ **reporting whereby (i) Management' s review controls over fair value calculations including Management' s preliminary valuation** of ~~our common stock could be negatively affected~~ **the Belyntic Acquisition were insufficient, and (ii) Management' s review controls over the qualitative assessment of goodwill impairment were insufficient to identify potential impairment triggers** . A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. ~~Accordingly~~ **As a result of these material weaknesses** , **may be required** to **recognize additional impairment charges** ~~the end of the measurement period and implement well-documented evaluation of its process to monitor~~ for ~~triggers of potential impairment.We expect~~ our ~~remediation efforts to be effective~~ **goodwill and other intangible assets.As of March 31** , ~~however~~ **2022,the net carrying value of our goodwill and other intangible assets totaled $ 541.3 million.In accordance with generally accepted accounting principles** ,we ~~can provide no~~

~~assurance that~~ **periodically assess our assets to determine if** they ~~will be or that additional material weaknesses will not arise~~ -- **are impaired** ~~in the future~~ . **Significant** ~~The existence of these material weaknesses and of any other ineffective controls over our financial reporting could have~~ negative ~~impacts including one~~ **industry or economic trends,disruptions to** ~~or~~ **our** ~~more~~ **business,inability to effectively integrate acquired businesses,unexpected significant changes or planned changes in use** of **our assets,changes in the structure of our business,divestitures,market capitalization declines,or increases in associated discount rates may impair our goodwill and** ~~the~~ **other** ~~following:● Restatement of previously filed~~ **intangible assets.Any charges relating to such impairments would adversely affect our** financial statements **in** ~~;● Failure to meet our reporting deadlines (which among other~~ -- **the periods recognized** ~~consequences would result in a default of our convertible Notes due 2025);● Loss of investor confidence;● Restrict our ability to access capital markets;● Require us to expend significant resources to correct the deficiencies;● Negative impact on the trading price of our common stock~~ . **Page** ~~Foreign~~ **21Foreign** currency exchange rates may adversely affect our financial statements.As a global company with substantial operations outside the U.S.,sales and purchases in currencies other than the U.S.dollar expose us to fluctuations in foreign currencies relative to the U.S.dollar and may adversely affect our financial statements.Increased strength of the U.S.dollar increases the effective price of our products sold in U.S.dollars into other countries,which may require us to lower our prices or adversely affect sales to the extent we do not increase local currency prices.Decreased strength of the U.S.dollar could adversely affect the cost of materials,products and services we purchase overseas.Sales and expenses of our non- U.S.businesses are also translated into U.S.dollars for reporting purposes and the strengthening or weakening of the U.S.dollar could result in unfavorable translation effects.In addition,certain of our businesses may invoice customers in a currency other than ~~their~~ -- **the business'** functional currency,and movements in the invoiced currency relative to the functional currency could also result in unfavorable translation effects.We also face exchange rate risk from our investments in subsidiaries owned and operated in foreign countries.We do not enter into hedging arrangements to mitigate any foreign currency exposure. ~~We~~ **Changes in accounting standards could affect our reported financial results.New accounting standards or pronouncements that** may ~~be required~~ **become applicable** to ~~recognize impairment~~ **our Company from time to time,or** ~~charges~~ **changes in** ~~for our goodwill and other~~ -- **the interpretation** ~~intangible assets.As~~ of ~~March 31~~ **existing standards and pronouncements** , **could** ~~2023,the net carrying~~ a material weakness **in our** ~~increases the risk that the financial information we report contains material errors. If we cannot conclude that we have effective~~ internal control over ~~our~~ financial reporting, ~~or~~ **our** ~~if~~ **ability to meet our reporting obligations and the trading price of our stock could be negatively affected. Effective internal controls are necessary to provide reliable financial reports and to assist in the effective prevention of fraud. Any inability to provide reliable financial reports or prevent fraud could harm our business. We regularly review and update our internal controls, disclosure controls and procedures, and corporate governance policies. In addition, we are required under the Sarbanes- Oxley Act of 2002 to report annually on our internal control over financial reporting. Any system of internal controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. If we, or** our independent registered public accounting firm **, determine that** ~~is unable to provide an unqualified opinion regarding the effectiveness of~~ our internal control over financial reporting **is not effective** , ~~investors~~ **discover areas that need improvement in the future or discover a material weakness, as was the case as of March 31, 2023, these shortcomings** could **have an adverse effect on** ~~lose confidence in the reliability of~~ our **business and** financial ~~statements~~ **results** , ~~which~~ **and the price of our common stock** could **be negatively affected** ~~lead to a decline in our stock price~~ . Failure to comply with reporting requirements could also subject us to sanctions and / or investigations by the SEC, ~~The~~ **the** Nasdaq Stock Market or other regulatory authorities. We have previously implemented several significant ERP modules and have acquired businesses that were subsequently required to adopt our systems of internal controls. The implementation of these systems represents a change in our internal control over financial reporting. Although we continue to monitor and assess our internal ~~controls~~ - **control** environment as changes are made ~~and new modules are implemented~~ , and we have taken ~~additional~~ steps to modify and enhance the design and effectiveness of our internal control over financial reporting, there is a risk that deficiencies may occur that could aggregate to a material weakness **specifically related to our information technology general controls** . If we fail to remedy any deficiencies or maintain the adequacy of our internal controls, we could be subject to regulatory scrutiny, civil or criminal penalties or shareholder litigation. In addition, failure to maintain adequate internal controls could result in financial statements that do not accurately reflect our operating results or financial condition. **a significant effect on our reported** ~~reporting requirements,failure to adequately maintain appropriate ESG practices that meet stakeholder expectations may result~~ **results** ~~in reputational harm,loss~~ of **operations for the affected periods** ~~business,reduced market valuation,an inability to attract customers,and an inability to attract and retain top talent~~ .Changes in our tax rates or exposure to additional income tax liabilities or assessments could affect our profitability.In addition,audits by tax authorities could result in additional tax payments for prior periods.We are subject to income taxes in the U.S.and in various non- U.S.jurisdictions.The amount of income taxes we pay is subject to ongoing audits by U.S.federal,state and local tax authorities and by non- U.S.tax authorities,such as those audits described elsewhere in this report.If audits result in payments or assessments different from our reserves,our future results may include unfavorable adjustments to our tax liabilities and our financial statements could be adversely affected.Any further significant changes to the tax system in the United States or in other jurisdictions (including changes in the taxation of international income as further described below) could adversely affect our financial statements **.If we fail to maintain an effective system of internal controls,we may not be able to accurately report financial results or prevent fraud.If we identify** Page ~~22Our~~ **21Our** ability to use net operating losses and tax credit carryforwards and certain built- in losses to reduce future tax payments is limited by provisions of the Internal Revenue Code, and it is possible that certain transactions or a combination of certain transactions may result in material additional limitations on our ability to use our net operating loss and tax credit carryforwards. Section 382 and 383 of the Internal Revenue Code of 1986, as amended, contain rules that limit the ability of a company that undergoes an ownership change, which is generally any change in ownership of more than 50 % of its stock over a three- year period, to utilize its net operating loss and tax credit carryforwards and certain built- in losses recognized in years after the ownership change. These rules generally operate by focusing on ownership changes involving stockholders owning directly or indirectly 5 % or more of the stock of a company and any change in ownership arising from a new issuance of stock by the company. Generally, if an ownership change occurs, the yearly taxable income limitation on the use of net operating loss and tax credit carryforwards and certain built- in losses is equal to the product of the applicable long- term, tax- exempt rate and the value of the company' s stock immediately before the ownership change. We may be unable to offset our taxable income with losses, or our tax liability with credits, before such losses and credits expire and therefore would incur larger federal income tax liability. ~~We are in the process of conducting a new Section 382 study as a result of the acquisition of Agena, and while our most recent Section 382 analysis did not show any current exposure, future transactions or combinations of future transactions may result in a change in control under Section 382.~~ Federal net operating losses generated after December 31, 2017 are not subject to expiration and generally may not be carried back to prior taxable years except that, under the Coronavirus Aid, Relief, and Economic Security Act, net operating losses generated in 2018, 2019 and 2020 may be carried back five taxable years. Additionally, for taxable years beginning after March 31, 2021, the deductibility of such deferral net operating losses is limited to 80 % of our taxable income in any future taxable year. Changes in tax law relating to multinational corporations could adversely affect our tax position. The U. S. Congress, government agencies in non- U. S. jurisdictions where we and our affiliates do business, and the Organization for Economic Co-operation and Development (" OECD ") have recently focused on issues related to the taxation of multinational corporations. One example is in the area of " base erosion and profit shifting, " where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. The OECD has released several components of its comprehensive plan to create an agreed set of international rules for addressing base erosion and profit shifting. As a result, the tax laws in the United States and other countries in which we do business could change on a prospective or retroactive basis, and any such changes could adversely affect our business and financial statements. Our business is subject to sales tax in numerous states. The application of indirect taxes, such as sales tax, is a complex and evolving issue. A company is required to collect and remit state sales tax from certain of its customers if that company is determined to have " nexus " in a particular state. The determination of nexus varies by state and often requires knowledge of each jurisdiction' s tax case law. The application and implementation of existing, new or future laws could change the states in which we are required to collect and remit sales taxes. If any jurisdiction determines that we have " nexus " in additional locations that we have not contemplated, it could have an adverse effect on our financial results. If global credit market conditions deteriorate, our financial performance could be adversely affected. The cost and availability of credit are subject to changes in the global economic environment. If conditions in major credit markets deteriorate, our ability to obtain debt financing or the terms associated with that debt financing may be negatively affected, which could affect our results of operations. Servicing our debt will require a significant amount of cash, and we may not have sufficient cash flow from our business or the ability to raise capital to repay our 1. 375 % convertible senior notes due August 15, 2025 (the " **2025** Notes ") at maturity or repurchase the notes in the event of a fundamental change, or if we borrow under our credit facility, swingline loan, and letters of credit (together referred to as the" Credit Facility") or if we incur more debt. We incurred significant indebtedness in the amount of $ 172 ~~, 500~~ **. 5 million** in the form of the **2025** Notes which mature on August 15, 2025, unless earlier converted. We also have a revolving Credit Facility and could borrow additional amounts under that at any time, incurring more debt. ~~Page 23We currently expect to~~ **At our option, we may** settle ~~future conversions solely~~ **the 2025 notes** in shares of our common stock, **cash,** ~~which has the effect of including the shares of common stock issuable upon conversion of the Notes in our~~ - **or a combination thereof** ~~diluted earnings per share to the extent such shares are not anti- dilutive. We will reevaluate this policy from time to time in the event conversion notices are received from Note holders and if our stock price is above the strike price~~ . Holders of the **2025** Notes also have the right to require us to repurchase all or a portion of their **2025** Notes upon the occurrence of a fundamental change (as defined in the applicable indenture governing the **2025** Notes) at a repurchase price equal to 100 % of the principal amount of the **2025** Notes to be repurchased, plus accrued and unpaid interest. In addition, if the **2025** Notes have not previously been converted or repurchased due to a decline in **our** share price, we ~~will~~ **may** be required to repay the **2025** Notes in cash. Our ability to make required cash payments in connection with conversions of the **2025** Notes, repurchase the **2025** Notes in the event of a fundamental change, or to repay or refinance the **2025** Notes at maturity will depend on market conditions and our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. ~~In~~ **Page 22In** addition, our ability to repurchase or to pay cash upon conversion or at maturity of the **2025** Notes may be limited by law or regulatory authority. Our failure to repurchase Notes following a fundamental change as required by the applicable indenture would constitute a default under such indenture. A default under the indenture or agreements governing our future indebtedness could have a material adverse effect on our business, results of operations, and financial condition. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the **2025** Notes or to pay cash upon conversion or at maturity ~~of the Notes~~ . Additional stock issuances could result in significant dilution to our stockholders. We may issue additional equity securities to raise capital, make acquisitions, or for a variety of other purposes. Additional issuances of our stock may be made pursuant to the exercise or conversion of new or existing convertible debt securities, stock options, or other equity incentive awards. We rely on equity- based compensation as an important tool in recruiting and retaining employees. The amount of dilution due to equity- based compensation of our employees and other additional issuances could be substantial. In addition, in March 2022, we entered a sales agreement with Jefferies LLC (" Jefferies") to sell shares of our common stock, from time to time, with aggregate gross sales proceeds up to $ 150. 0 million through an at- the- market equity offering program under which Jefferies will act as our sales agent. **Further, we may settle all or a portion of the 2025 Notes in shares or in cash, at our option. We include shares of common stock issuable upon conversion of the 2025 Notes in our diluted earnings per share**

to the extent such shares are not anti- dilutive. We will reevaluate this policy from time to time if we conclude we intend to settle all or a portion of the 2025 notes in cash, or in the event conversion notices are received from noteholders and our stock price is above the strike price. If we issue common stock or securities convertible into common stock for the above reasons, or any other reason, our common stockholders would experience additional dilution and, as a result, our stock price may decline. Our stock price may be volatile, which may subject us to a securities class action litigation. The trading price of our common stock price may be volatile and could be subject to wide fluctuations in price in response to various factors, many of which are beyond our control, including: ● general economic, industry and market conditions; ● actions by institutional or other large stockholders; ● the depth and liquidity of the market for our common stock; ● volume and timing of orders for our products; ● developments generally affecting medical device companies; ● the announcement of new products or product enhancements by us or our competitors; ● changes in earnings estimates or recommendations by securities analysts; ● investor perceptions of us and our business, including changes in market valuations of medical device companies **generally** ; and ● our results of operations and financial performance. In addition, the stock market in general, and the Nasdaq Stock Market and the market for products and devices sold into the medical and healthcare industries in particular, have experienced substantial price and volume volatility that is often seemingly unrelated to the operating performance of particular companies **, including recently in connection with the ongoing COVID- 19 pandemic, the conflict in Ukraine and increased inflation and interest rates in the United States, which have resulted in decreased stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects** . These broad market fluctuations may cause the trading price of our common stock to decline **, regardless of our actual operating performance** . In the past, securities class action litigation has ~~often~~ **at times** been brought against a company after a period of volatility in the market price of its common stock. We may become involved in this type of litigation in the future. Any securities litigation claims brought against us could result in substantial expense and the diversion of management' s attention from our business. ~~Page 24~~