Risk Factors Comparison 2024-02-26 to 2023-02-17 Form: 10-K

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

You should carefully consider the following risk factors, in addition to the other information contained in this report and in any other documents to which we refer you in this report, before purchasing our securities. The risks and uncertainties described below are not the only ones we face. Risks related to our business We operate globally and are subject to significant risks in many jurisdictions, **including risks related** ~~and our business, financial condition, and results of operations have been and may continue~~ to ~~be impacted by~~ adverse **economic, political, regulatory, and other** global and regional ~~economic~~ conditions We have operations in many countries, and a significant portion of our revenue is derived from countries outside of the United States. As a result, our business, financial condition, and results of operations, including our ability to design, develop, or sell products, **has been and** may **continue to** be adversely affected by a number of factors outside of our control, including: • global and local economic conditions, such as inflation and recession; • the demand and cost of commodities, such as corn and oil; • the strength of the agricultural, engineering ~~,~~ and construction **, and transportation** markets; • inadequate infrastructure and other disruptions, such as supply chain interruptions and large- scale outages or unreliable provision of services from utilities, transportation, data hosting, or telecommunications providers; • government restrictions on our operations in any country, or restrictions on our ability to repatriate earnings from a particular country; • differing employment practices and labor issues **and the challenges and costs of staffing and managing a global workforce** ; • ~~formal or informal~~ imposition of new ~~or revised export~~ and **changing trade barriers** ~~/ or import and doing- business regulations~~ , including trade sanctions, **duties,** tariffs, and import or export licensing requirements **or restrictions; • compliance with differing local laws and regulations** , ~~which could be changed without notice~~ **including those relating to privacy, labor, and local content** ; • ineffective legal protection of our IP rights in certain countries **or difficulties procuring or enforcing our IP rights** ; • ~~uncertain~~ **volatile geopolitical conditions, including significant regional military conflicts and political and** economic **instability,** ~~and political conditions~~ in countries where we do business; • local business and cultural factors that differ from our normal standards and practices **, which can include longer payment cycles and difficulties in enforcing agreements and collecting receivables in certain foreign jurisdictions** ; • **fluctuations in currency rates** ~~differing regional responses and restrictions related to global pandemics, like the COVID- 19 pandemic~~ ; and • uncertainty regarding social, political, **including elections,** immigration **, tax** , and trade policies in the U. S. and abroad ~~. There is an inherent risk that political, diplomatic, or military events could result in trade disruptions, including tariffs, trade embargoes, export restrictions, and other trade barriers~~ . A significant trade disruption or the establishment or increase of any trade barrier in any area where we do business could increase the cost of our products, which could adversely impact the margin that we earn on sales, make our products more expensive for customers or create uncertainty around demand for certain types of products, which could make our products less competitive and reduce customer demand ~~. Given the geopolitical climate, there is uncertainty about the trade policies, treaties, government regulations, and tariffs that could apply to trade~~ . If there were to be a deterioration in the global economy, the economies of the countries or regions where our customers are located or do business, or the industries that we or our customers serve, the demand for our products and services would likely decrease. In addition, government or customer efforts, attitudes, laws or policies may lead to non- U. S. customers favoring domestic suppliers that could compete with or replace our products, which would also have an adverse effect on our business. Changes in economic conditions and political uncertainty surrounding international trade also make it difficult to make financial forecasts. **Any** ~~Risks associated with engaging in international business include: • longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; • difficulties and costs~~ of ~~staffing and managing international operations; • differing local customer product preferences and requirements than our U. S. markets; • difficulties protecting or procuring intellectual property rights; and • compliance with changes in local laws, including those~~ -- **the foregoing** ~~relating to privacy, labor and local content. These factors or any combination of these~~ factors could adversely affect our business, financial condition, and results of operations. We have experienced disruption in our supply chain ~~including the effects of COVID- 19~~ and related events, and are subject to ongoing supply chain risks ~~, which could adversely affect our revenue and results of operations~~ We are dependent upon a limited number of contract manufacturers for the manufacture, testing, and assembly of certain products and specific suppliers for a number of our critical components. These arrangements can generally be terminated with a limited notice. Our current reliance on a limited group of contract manufacturers and suppliers involves risks, including the potential inability to obtain products or components to meet customers' delivery requirements, reduced control over pricing and delivery schedules and discontinuation of or increased prices for certain components. **The** ~~In the first half of 2022, we have experienced disruption in our supply chain as a result of the effects of COVID- 19 and the~~ geopolitical conditions such as the ongoing military conflict **in the Middle East and** between Russia and Ukraine and related events and their impact on our suppliers and on international trade in general, ~~leading~~ **have led** to shortfalls in available components we need to make products as well as increased costs to obtain components, to make products, and to transport components and products. The disruptions include extended delivery times for certain components of our hardware products and increased freight costs. These disruptions have had an adverse effect on our ability to meet customer demand and have resulted in delays in shipping products to customers and dealers. Future disruptions could occur as a result of any number of events, **such as: •** ~~including, but not limited to,~~ inflationary cost increases, **•** increases in wages that drive up prices ~~or~~ **of** labor, **•** the imposition of new regulations, quotas or embargoes on components, **•** a scarcity of, or significant increase in the price of, **raw materials or** required components for our products, **•** trade restrictions, tariffs **,** or duties, **•** fluctuations in currency exchange rates, **•** transportation failures affecting the supply chain and shipment of materials and finished goods, **•** third party interference in the integrity of the products sourced through the supply chain, **•** ~~the unavailability of raw materials,~~ severe weather conditions ~~,~~ **or** natural disasters, **•** civil unrest, military conflicts, geopolitical developments, war or terrorism, and **•** disruptions in utility and other services. Any other circumstance that would require us to seek alternative sources of supply or to manufacture, assemble, and test such components internally could significantly delay our ability to ship our products, which could damage relationships with current and prospective customers and could harm our reputation and brand as well as our results of operations. Lastly, due to supply chain issues, we **have in the past and** may **in the future** accumulate excess inventories if we inaccurately forecast demand for our products **, or if dealers are unable to work through their excess inventory** . If we are unable to effectively integrate, streamline and manage our ~~increasingly~~ diverse and complex businesses and operations, our ability to generate growth and revenue from new or existing customers may be adversely affected Because our operations are geographically diverse and increasingly complex, our personnel resources and infrastructure could become strained, and our reputation in the market and our ability to successfully manage and grow our business may be adversely affected. The size, complexity, and diverse nature of our business and the expansion of our product lines and customer base have placed increased demands on our management and operations, and future growth may place additional strains on our resources in the future. Our ability to effectively compete and to manage our planned future growth will depend on, among other things, the following: • maintaining continuity in our senior management and key personnel; • increasing the productivity of our existing employees; • attracting, retaining, training, and motivating our employees, particularly our technical and management personnel; • deploying our solutions using third party information systems, which may require changes to our applications, documentation, and operational processes; • improving our operational, financial, and management controls; and • improving our information reporting systems and procedures. We have increasingly diversified the nature of our businesses both organically and by acquisition. As a result, an increasing amount of our business involves business models that require managerial techniques and skill sets that are different from those required to manage our historical core businesses. Pursuant to our Connect and Scale strategy, we are investing substantial resources in integrating our product offerings and transitioning our businesses to common core services and systems ~~in order~~ to achieve economies of scale, simplify our operations, and improve the customer experience. These efforts may result in disruptions to our operations, which could have an adverse effect on our customers, may cost more than we anticipate increasing our expenses, and take longer than planned. These factors ~~or a combination of these factors~~ could have an adverse impact on our business, financial condition, and results of operations. Changes in our software and subscription businesses may adversely ~~impact~~ **affect** our **revenue** ~~business, financial condition and results of operations~~ An increasing portion of our revenue is generated through software maintenance and subscription revenue, which includes **“** Software as a Service **”** (“ SaaS ”) and new subscription services for integrated solutions. Our customers have no obligation to renew their agreements for our software maintenance or subscription services after the expiration of their initial contract period, which typically ranges from one to three years. This shift reflects both an increasing use of subscription models for new products, and a transition for some existing products from perpetual license sales and distribution in favor of SaaS or other subscription offerings. Our customer acquisition and renewal rates may decline or fluctuate as a result of a number of factors, including overall economic conditions, the health of their businesses, competitive offerings, and customer dissatisfaction with our services. Customer satisfaction with our services is affected by a variety of factors, **such as** ~~including but not limited to~~ security, reliability, performance, concerns about data privacy, current subscription terms, customer preference, and industry adoption. If customers do not renew their contracts for our products, our maintenance and subscription revenue will decline, and our financial results will suffer. Our subscription models provide our customers the right to access certain of our software in a hosted environment or use downloaded software for a specified subscription period. Market acceptance of such offerings is affected by a variety of factors, **such as** ~~including but not limited to~~ security, reliability, performance, current license terms, customer preference and industry adoption, social / community engagement, customer concerns with entrusting a third party to store and manage their data, public concerns regarding privacy and the enactment of restrictive laws or regulations. If we are unable to successfully market and support our subscription offerings, our business, financial condition, and results of operations could be adversely impacted. We continually re- evaluate our software licensing programs and subscription programs, including specific license models, delivery methods, and terms and conditions. Changes to our licensing programs and subscription programs, including the introduction of new subscription services for integrated solutions that include hardware, the timing of the release of enhancements, upgrades, maintenance releases, the term of the contract, discounts, and promotions, could impact the timing of the recognition of revenue for our products, and adversely affect our cash flow, business, financial condition, and results of operations. We may not be able to enter...... relationships could adversely affect our sales. Investing in and integrating new acquisitions or divesting businesses could be costly, place a significant strain on our management systems and resources, or fail to deliver expected outcomes ~~, which could adversely impact our business, financial conditions, and results of operations~~ We typically acquire a number of businesses each year and we intend to continue to acquire other businesses. Acquisitions entail numerous risks, including: • potential inability to successfully integrate acquired operations and products or to realize cost savings or other anticipated benefits from integration; • loss of key employees or customers of acquired operations; • difficulty of assimilating geographically dispersed operations and personnel of the acquired companies; • potential disruption of our business or the acquired business; • unanticipated expenses related to acquisitions; • unanticipated difficulties in conforming business practices, policies, procedures, internal controls, and financial records of acquisitions with our own business; • impairment of relationships with employees, customers, vendors, distributors or business partners of either an acquired company or our own business; • inability to accurately forecast the performance of recently acquired businesses, resulting in unforeseen adverse effects on our operating results; • potential liabilities, including liabilities resulting from known or unknown compliance or legal issues, associated with an acquired business; and • adverse accounting impact to our results of operations because of purchase accounting treatment and the business or accounting practices of acquired companies. Any such effects from acquisitions could be costly and place a significant strain on our management systems and resources. As a result of acquisitions, we have significant assets that include goodwill and other purchased intangibles. The testing of goodwill and intangibles for impairment under generally accepted accounting principles (" GAAP ") requires us to make significant judgments and assumptions. Changes in business conditions or in the prospects or results of operations of the acquired business could require adjustments to the valuation of these assets resulting in impairments that would adversely affect our results. In addition, changes in the operating results or the valuation of companies in which we have investments may have a direct impact on our financial statements or could result in our having to write down the value of such investment. ~~Even if successfully negotiated and closed, acquisitions~~ **Acquisitions** may not yield expected synergies, may not **grow, scale, or** advance our business strategy as expected, may fall short of expected return- on- investment targets, or may not prove successful or effective for our business. Companies that we acquire may operate with different cost and margin structures, which could further cause fluctuations in our operating results and adversely affect ~~our business, financial condition, and results of operations. In December 2022, we signed a definitive agreement to acquire Transporeon, a leading European cloud- based transportation management software platform. The acquisition is expected to close in the first half of 2023. We may not complete the acquisition of Transporeon within the time frame we anticipate or at all. The completion of the acquisition of Transporeon is subject to certain closing conditions, including the receipt of merger control clearances in Austria, Germany, and Poland. The failure to satisfy all the required conditions could delay or even prevent the acquisition from occurring at all. If we consummate the acquisition of Transporeon, there is a risk that the desired benefits of the acquisition may not be fully realized or that we may fail to integrate the acquired assets as expected, which may negatively impact~~ our business, financial condition, and results of operations. From time to time we have divested businesses, and we expect to do so in the future. Any such divestiture may result in: • a disruption of our business; • reduced synergies, including the loss of scale or key employees; • impairment of customer relationships; and • reductions in the breadth of our product offerings. Divestitures may adversely impact our results if we are unable to offset the dilutive impacts from the loss of revenue associated with the divested products or businesses, or mitigate overhead costs allocated to those businesses. We could also experience higher than expected transaction costs and business sale losses, which may adversely affect our business, financial condition, and results of operations. ~~JV as a standalone business,(vi) we may be unable to successfully integrate AGCO' s JCA Technologies business into the JV,(vii) the use of proceeds may be affected by market conditions and alternative uses that become more attractive over time,(viii) the development of technology synergies will depend on the level of research and development spending and the success of future innovation,and (ix) we may fail to obtain governmental or regulatory approval that may be required for the proposed transaction,or that,if such approval is obtained,the approval may be obtained subject to unexpected conditions.~~ We may not be able ~~to continue~~ to enter into or maintain important alliances and distribution relationships We believe that in certain business opportunities,our success will depend on our ability to form and maintain alliances with industry participants.Our failure to form and maintain such alliances,or the preemption or disruption of such alliances by actions of competitors,could adversely affect our ability to sell our products to customers.Our relationships with substantial industry participants such as Caterpillar,Nikon,and Hilti are complex and multifaceted and are likely to evolve over time based upon the changing business needs and objectives of the parties.To develop and expand our distribution channels,we must continue to expand and improve our processes and procedures that support our distribution channels,including our investment in systems and training,and those processes and procedures may become increasingly complex and difficult to manage.The time and expense required for sales and marketing organizations of our channel partners to become familiar with our product offerings,including our new product developments,and newer types of offering,such as subscription programs for integrated solutions that include hardware,software maintenance,and other recurring services,may make it more difficult to introduce those products to end users and delay end- user adoption,which could result in lower revenue.Disruption of dealer coverage within specific geographic or end- user markets could cause difficulties in marketing,selling,or servicing our products and have an adverse effect on our business,financial condition,and results of operations.We utilize dealer networks,including ~~dealers associated~~ **those affiliated** with Caterpillar **and CNH** to market,sell,and service many of our products.Dealers who carry products that compete with our products may focus their inventory purchases and sales efforts on goods provided by competitors due to industry demand or profitability.Such sourcing decisions can adversely impact our business,financial condition,and results of operations.A significant portion of our ~~agriculture~~ aftermarket sales have historically been generated through CNH,which resells our aftermarket products through its dealer network. ~~In~~ **Moving forward,as part of our Connect and Scale strategy,we will directly manage,and further build out,our independent dealer network to ensure better access,service,and support for our customers.Our aftermarket solutions address both new equipment as well as equipment already in the field,and we will reach customers through these independent dealer partners,who are focused on selling the full portfolio of Trimble- branded precision agriculture solutions.Aligned with this strategy,in** February 2023,we gave CNH a 12- month notification that we ~~would~~ **will** no longer be supplying aftermarket precision agriculture products to CNH for resale through the CNH dealer network. ~~In December~~ **We will continue to supply hardware to CNH for their factory installations.While we do not expect this action to have a material effect on our revenues in** 2023, ~~we notified CNH~~ **there can be no assurance** that our **revenue from our** ~~OEM agreement to supply CNH with products for factory installation would terminate in 2024.Upon the closing of the proposed Trimble Ag JV Transaction,the JV will directly manage the~~ independent dealer network **will** ~~to ensure access,service,and support for the agriculture customers.Our revenue from the independent dealer network,whether owned by us or the JV,might not~~ offset the reduction in revenue resulting from our discontinuance of sales of aftermarket **products to CNH.Evolution of our respective business strategies and diversification of product portfolios may lead to increased competition with our other strategic allies,placing additional pressure on these relationships.Since these strategic relationships contribute to significant ongoing business in certain of our important markets,changes in these relationships could adversely affect our sales.** We face substantial competition in our markets, which could decrease our revenue and growth rates ~~or impair our business, financial condition, and results of operations~~ Our markets are highly competitive, and we expect that both direct and indirect competition will increase in the future. Our overall competitive position depends on a number of factors including the price, quality and performance of our products, the effectiveness of our distribution channel and direct sales force, the level of customer service, the development of new technology, and our ability to participate in emerging markets. Within each of our markets, we encounter direct competition from other GNSS, software, optical, and laser suppliers, and competition may intensify from various larger U. S. and non- U. S. competitors and new market entrants, particularly from markets such as China. Our products, which commonly use GNSS for basic location information, may be subject to competition from alternative location technologies such as simultaneous location and mapping technology. In our software and subscription services businesses, we face competition from a group of large, well- established companies, particularly in the areas of design **software** , enterprise resource planning (" ERP ") **solutions** , and collaboration and project management ~~solutions~~ **offerings** . Our integrated hardware and software products may be subject to increasing competition from mass market devices such as smartphones and tablets used in conjunction with relatively inexpensive applications, which have not been heavily used for commercial applications in the past. These competitive developments may require us to rapidly adapt to technological and customer preference changes ~~that we have not previously been exposed to~~ , including those related to cloud computing, mobile devices, and new computing platforms. Such competition has in the past resulted, and in the future may result, in price reductions, reduced margins, or loss of market share, any of which could decrease our revenue and growth rates ~~or impair our operating results and financial condition~~ . We believe that our ability to compete successfully in the future against existing and additional competitors will depend largely on our ability to execute our strategy to provide products with significantly differentiated features compared to currently available products. We may not be able to implement this strategy successfully, and our products may not be competitive with other technologies or products that may be developed by our competitors, many of whom have significantly greater financial, technical, manufacturing, marketing, sales, and other resources than we do. If we are unable to attract and retain qualified personnel, our business ~~, financial condition, and results of operations~~ could be harmed Our continued success depends, in part, on our ability to hire and retain qualified personnel **,** ~~and to~~ advance our corporate strategy, and preserve the key aspects of our corporate culture. Because our future success is dependent on our ability to continue to enhance and introduce new products, we are particularly dependent on our ability to hire and retain qualified engineers, including in areas of technology such as GNSS, software programming, information systems, and data analytics. In addition, to increase revenues, we will be required to increase the size and productivity of our sales and channel management groups. Competition for qualified employees in our major locations is intense ~~. The COVID- 19 pandemic has also heavily impacted the environment for attracting and managing employees, and our failure to successfully manage these changes and navigate transitions such as return to office could harm our ability to attract and retain the best talent~~ . Our inability to hire and retain qualified management and skilled personnel, particularly engineers, salespeople, and key executive management, could disrupt our development efforts, sales results, business relationships, and our ability to execute our business plan and strategy on a timely basis and could materially and adversely affect our business, financial condition, and results of operations. In addition, any future reductions in force or other restructuring intended to improve operational efficiencies and operating costs, may adversely affect our ability to attract and retain qualified personnel. Equity grants are a critical component of our current compensation programs. If we fail to grant equity competitively, we may have difficulty attracting and retaining critical employees. In addition, because of our sales structure, cash, and equity incentive compensation plans, we may be at increased risk of losing employees at certain times. For example, the retention value of our compensation plans decreases after the payment of periodic bonuses or the vesting of equity awards. Risks related to our technology and products Our products are highly technical and may contain undetected errors, product defects, **or** security vulnerabilities ~~, or software errors~~ Our products, including our software products, are highly technical and complex and, when deployed, may contain errors, defects, or security vulnerabilities. We must develop our products quickly to keep pace with the rapidly changing market, and we have a history of frequently introducing new products. Products and services as sophisticated as ours could contain undetected errors or defects, especially when first introduced or when new models or versions are released. Such occurrences could result in damage to our reputation, lost revenue, diverted development resources, increased customer service and support costs, warranty claims, and litigation. We warrant that our products will be free of defect for various periods of time, depending on the product. In addition, certain of our contracts include epidemic failure clauses. If invoked, these clauses may entitle the customer to return or obtain credits for products and inventory, or to cancel outstanding purchase orders even if the products themselves are not defective. Errors, viruses, or bugs may be present in software or hardware that we acquire or license from third parties and incorporate into our products or in third- party software or hardware that our customers use in conjunction with our products. Our customers' proprietary software and network firewall protections may corrupt data from our products ~~and~~ **or** create difficulties in implementing our solutions. Changes to third- party software or hardware that our customers use in conjunction with our software could also render our applications inoperable. Any errors, defects, or security vulnerabilities in our products or any defects in, or compatibility issues with, any third- party hardware or software or customers' network environments discovered after commercial release could result in loss of revenue or delay in revenue recognition, loss of customers, theft of trade secrets, data or intellectual property and increased service and warranty cost, any of which could adversely affect our business, financial condition, and results of operations. Undiscovered vulnerabilities in our products alone or in combination with third- party hardware or software could expose them to hackers or other unscrupulous third parties who develop and deploy viruses and other malicious software programs that could attack our products. Actual or perceived security vulnerabilities in our products could harm our reputation and lead some customers to return products, ~~to~~ reduce or delay future purchases, or use competitive products. Our internal and customer- facing systems, and systems of third parties we rely upon, may be subject to cybersecurity breaches, disruptions, or delays A cybersecurity incident in our own systems or the systems of our third- party providers may compromise the confidentiality, integrity, or availability of our own internal data, the availability of our products and websites designed to support our customers, or our customer data. Computer hackers, foreign governments, cybercriminals, or cyber terrorists may attempt to or succeed in penetrating our network security and our website. Additionally, due to geopolitical tensions, such as the ongoing military conflict between Russia and Ukraine, we and our third- party vendors may be vulnerable to a heightened risk of cybersecurity attacks, phishing attacks, viruses, malware, ransomware, hacking or similar breaches and incidents from nation-state actors or affiliated actors, including attacks that could materially disrupt our systems and operations, supply chain, and ability to produce, sell, and distribute our products and services. Unauthorized access to our proprietary business information or customer data may be obtained through break- ins, sabotage, breach of our secure network by an unauthorized party, computer viruses, computer denial- of- service attacks, employee theft or misuse, breach of the security of the networks of our third- party providers, or other misconduct. Additionally, outside parties may attempt to fraudulently induce employees or users to disclose sensitive or confidential information ~~in order~~ to gain access to data. We have experienced security breaches in the past, and despite our efforts to maintain the security and integrity of our systems, it is impossible to eliminate this risk. Because the techniques used by computer hackers who may attempt to penetrate and sabotage our network security or our website change frequently, they may take advantage of weaknesses in third party technology or standards of which we are unaware or that we do not control and may not be recognized until after they have been launched against a target. We may be unable to anticipate or counter these techniques. It is also possible that unauthorized access to customer data or confidential information may be obtained through inadequate use of security controls by customers, vendors, or business partners. Efforts to prevent hackers from disrupting our service or otherwise accessing our systems are expensive to develop, implement, and maintain. Such efforts require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated and may limit the functionality of, or otherwise adversely impact our service offering and systems. A cybersecurity incident affecting our systems may also result in theft of our intellectual property, proprietary data, or trade secrets, which would compromise our competitive position, reputation, and operating results. We also may be required to notify regulators about any actual or perceived personal data breach (including the EU Lead Data Protection Authority) as well as the individuals who are affected by the incident within strict time periods. The systems we rely upon also remain vulnerable to damage or interruption from a number of other factors, including access to the internet, the failure of our network or software systems, or significant variability in visitor traffic on our product websites, earthquakes, floods, fires, power loss, telecommunication failures, computer viruses, human error, and similar events or disruptions. Some of our systems are not fully redundant, and our disaster recovery planning is not sufficient for all eventualities. Our systems are also subject to intentional acts of vandalism. Despite any precautions we may take, the occurrence of a natural disaster, a decision by any of our third-party hosting providers to close a facility we use without adequate notice for financial or other reasons, or other unanticipated problems at our hosting facilities could cause system interruptions and delays, and result in loss of critical data and lengthy interruptions in our services. We rely on our information systems and those of third parties for activities such as processing customer orders, delivery of products, hosting and providing services and support to our customers, billing and tracking our customers, hosting and managing our customer data, and otherwise running our business. Any disruptions or unexpected incompatibilities in our information systems and those of the third parties upon whom we rely could have a significant impact on our business. An increasing portion of our revenue comes from SaaS solutions and other hosted services in which we store, retrieve, communicate, and manage data that is critical to our customers' business systems. Disruption of our systems that support these services and solutions could cause disruptions in our customers' systems and in the businesses that rely on these systems. Any such disruptions could harm our reputation, create liabilities to our customers, hurt demand for our services and solutions, and adversely impact our business, financial condition, and results of operations. We are dependent on new products and services, and if we are unable to successfully introduce them into the market or to effectively compete with new, disruptive product alternatives, our customer base may decline or fail to grow as anticipated Our future revenue stream depends to a large degree on our ability to bring new products and services to market on a timely basis. We must continue to make significant investments in research and development ~~in order~~ to continue to develop new products and services, enhance existing products, and achieve market acceptance of such products and services. We may encounter problems in the future in innovating and introducing new products and services. Our development stage products may not be successfully completed or, if developed, may not achieve significant customer acceptance. Development and manufacturing schedules for technology products are difficult to predict, and we might not achieve our goals as to the timing of introducing new technology products or could encounter increased costs. The timely availability and cost- effective production of these products in volume and their acceptance by customers are important to our future success. This has been and may continue to be negatively impacted by the global supply chain shortage. If we are unable to introduce new products and services, if other companies develop competing technology products and services, or if we do not develop compelling new products and services, our number of customers may not grow as anticipated, or may decline, which could harm our operating results. Many of our offerings are increasingly focused on software and subscription services. The software industry is characterized by rapidly changing customer preferences, which require us to address multiple delivery platforms, new mobile devices, and cloud computing. Lifecycles of software products can be short, and this can exacerbate the risks associated with developing new products. The introduction of third party solutions embodying new, disruptive technologies and the emergence of new industry standards could make our existing and future software solutions and other products obsolete or non- competitive. If we are not able to develop software and other solutions that address the increasingly sophisticated needs of our customers, or if we are unable to adapt to new platforms, technologies, or new industry standards that impact our markets, our ability to retain or increase market share ~~, business, financial condition, and results of operations~~ could be adversely affected **, harming our business, financial condition, and results of operations** . Some of our products rely on third- party technologies including open- source software, which could result in product incompatibilities or harm availability of our products and services We license software, technologies, and intellectual property underlying some of our software from third parties. The third- party licenses we rely upon may not continue to be available to us on commercially reasonable terms, or at all, and the software and technologies may not be appropriately supported, maintained, or enhanced by the licensors, resulting in development delays. Some software licenses are subject to annual renewals at the discretion of the licensors. In some cases, if we were to breach a provision of these license agreements, the licensor could terminate the agreement immediately. The loss of licenses to, or inability to support, maintain, and enhance, any such third-party software or technology could result in increased costs, or delays in software releases or updates, until such issues have been resolved. ~~This could have an adverse effect on our business, financial condition, and results of operations.~~ We also incorporate open- source software into our products. Although we monitor our use of open- source software, the terms of many open- source licenses have not been interpreted by U. S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to market or sell our products or to develop new products. In such event, we could be required to seek licenses from third parties in order to continue offering our products, to disclose and offer royalty- free licenses in connection with our own source code, to re- engineer our products, or to discontinue the sale of our products in the event re- engineering cannot be accomplished on a timely basis, any of which could adversely affect our business, financial condition, and results of operations. We are dependent on proprietary technology, which could result in litigation that could divert significant valuable resources Our future success and competitive position ~~is~~ **are** dependent upon our proprietary technology, and we rely on patent, trade secret, trademark, and copyright laws to protect our intellectual property. The patents owned or licensed by us may be invalidated, circumvented, infringed, or challenged. The rights granted under these patents may not provide competitive advantages to us. Any of our pending or future patent applications may not be issued within the scope of the claims sought by us, if at all. Despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or otherwise obtain our software or develop software with the same functionality or to obtain and use information that we regard as proprietary. Others may develop technologies that are similar or superior to our technology, duplicate our technology, or design around the patents owned by us. In addition, effective copyright, patent, and trade secret protection may be unavailable, limited, or not applied for in certain countries. The steps taken by us to protect our technology might not prevent the misappropriation of such technology. The value of our products relies substantially on our technical innovation in fields in which there are many current patent filings. Third parties may claim that we or our customers (some of whom are indemnified by us) are infringing their intellectual property rights. For example, individuals and groups may purchase intellectual property assets for the purpose of asserting claims of infringement and attempting to extract settlements from us or our customers. As new patents are issued or are brought to our attention by the holders of such patents, it may be necessary for us to secure a license from such patent holders, redesign our products, or withdraw products from the market. In addition, the legal costs and engineering time required to safeguard intellectual property or to defend against litigation could become a significant expense of operations. Any such litigation could require us to incur substantial costs and divert significant valuable resources, including the efforts of our technical and management personnel, which could harm our business, financial condition, and results of operations. We are dependent on the availability and unimpaired use of allocated bands within the radio frequency spectrum; our products may be subject to harmful interference from new or modified spectrum uses Our GNSS technology is dependent on the use of satellite signals and on terrestrial communication bands. International allocations of radio frequency are made by the International Telecommunications Union (" ITU "), a specialized technical agency of the United Nations. These allocations are further governed by radio regulations that have treaty status and which may be subject to modification every two to three years by the World Radio Communication Conference. Each country also has regulatory authority over how each band is used in the country. In the United States, the Federal Communications Commission (" FCC ") and the National Telecommunications and Information Administration share responsibility for radio frequency allocations and spectrum usage regulations. Any ITU or local reallocation of radio frequency bands, including frequency band segmentation and sharing of spectrum, or other modifications of the permitted uses of relevant frequency bands, may materially and adversely affect the utility and reliability of our products and have significant adverse impacts on our customers, both of which could reduce demand for our products. For example, in 2020 the FCC approved a proposal by a private party to repurpose spectrum adjacent to the authorized GNSS bands for terrestrial wireless operations throughout the United States. The company has opposed and continues to oppose this proposal, along with a wide range of participants in commercial and governmental sectors that rely on the use of GNSS in their critical activities. The FCC' s action is subject to further review as well as potential legislative action. If the FCC' s action continues in effect and terrestrial operations are implemented in the affected spectrum, these operations could create harmful interference to GNSS receivers in proximity to such operations and impose costs to retrofit or replace affected receivers. Similarly, other countries have considered proposals for use of frequencies used by our products as well as adjacent bands that could cause harmful interference to our products. Many of our products use other radio frequency bands, such as the public land mobile radio bands, together with the GNSS signal, to provide enhanced GNSS capabilities, such as real- time kinematics precision. The continuing availability of these non- GNSS radio frequencies is essential to provide enhanced GNSS products to our precision survey, agriculture, and construction machine controls markets. In addition, transmissions and emissions from other services and equipment operating in adjacent frequency bands or in- band may impair the utility and reliability of our products. Any regulatory changes in spectrum allocation or in allowable operating conditions could have a material adverse effect on our business, financial condition, and results of operations. Many of our products rely on GNSS technology, GPS and other satellite systems, which may become degraded or inoperable and result in lost revenue GNSS technology, GPS satellites, and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible intentional disruption. Many of the GPS satellites currently in orbit were originally designed to have lives of 7. 5 years and are subject to damage by the hostile space environment in which they operate. However, of the current deployment of operational satellites in orbit, some have been in operation for much longer. Repair of damaged or malfunctioning satellites is currently not economically feasible. If a significant number of satellites were to become inoperable, there could be a substantial delay before they are replaced with new satellites. A reduction in the number of operating satellites below the 24- satellite standard established for GPS may impair the utility of the GPS system and the growth of current and additional market opportunities. In addition, software updates to GPS satellites and ground control segments, and infrequent known events such as GPS week number rollover, may adversely affect our products and customers. We depend on public access to open technical specifications in advance of system updates to mitigate these problems, which may not be available or complete. We are dependent on continued operation of GPS, the principal GNSS currently in operation. The GPS constellation is operated by the U. S. Government, which is committed to maintenance and improvement of GPS. If supporting policies were to change, or if user fees were imposed, it could have an adverse effect on our business, financial condition, and results of operations. Many of our products also use signals from systems that augment GPS, such as the Wide Area Augmentation System and National Differential GPS System, and satellites transmitting signal corrections data on mobile satellite services frequencies utilized by our RTX corrections services. Some of these augmentation systems are operated by the U. S. government and rely on continued funding and maintenance of these systems. Any curtailment of the operating capability of these systems or limitations on access to, or use of the signals, or discontinuance of service could result in degradation of our services or product performance, with an adverse effect on our business, financial condition, and results of operations. Many of our products use satellite signals available globally from the Russian GLONASS, China' s BeiDou, and the European Galileo GNSS Systems. Other countries have developed regional GNSS systems, such as India' s NavIC and Japan' s QZSS, which we support in some products. National or European authorities may provide preferential access to signals to companies associated with their markets, including our competitors, which could harm our competitive position. Geopolitical tensions between the United States and Russia and China could also result in the restriction of our usage of such satellite signals. Use of non- U. S. GNSS signals are also subject to FCC waiver requirements and to restrictions based upon international trade or geopolitical considerations. If we are unable to develop timely and competitive commercial products using these systems, or obtain timely and equal access to service signals, this could result in lost revenue. Regulatory risks ~~We face risks inherent in conducting business internationally, including compliance~~ **Compliance** with international and U. S. laws and regulations that apply to our international operations **can be complex, and exposes us to various risks related to potential non- compliance** These laws and regulations include data privacy requirements, labor relations laws, tax laws, anti- competition regulations, import and trade restrictions, export control laws, and laws that prohibit corrupt payments to governmental officials or certain payments or remunerations to customers, including the U. S. Foreign Corrupt Practices Act (" FCPA "), the U. K. Bribery Act, and other anti- corruption laws, that have been the subject of a substantial increase in global enforcement. Many of our products are subject to U. S. export law restrictions that limit the destinations and types of customers to which our products may be sold or that require an export license in connection with sales outside the United States. Given the high level of complexity of these laws, there is a risk that some provisions may be inadvertently or intentionally breached, for example through fraudulent or negligent behavior of individual employees, our failure to comply with certain formal documentation requirements or otherwise. Also, we may be held liable for actions taken by our local dealers and partners. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, and prohibitions or conditions on the conduct of our business. Any such violations could include prohibitions or conditions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business, financial conditions, and results of operations. We operate in many parts of the world that have experienced significant governmental corruption to some degree and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices. We may be subject to competitive disadvantages to the extent that our competitors are able to secure business, licenses, or other preferential treatment by making payments to government officials and others in positions of influence or through other methods that relevant law and regulations prohibit us from using. Our success depends, in part, on our ability to anticipate these risks and manage these difficulties. We are subject to evolving and potentially conflicting privacy laws in the United States and other jurisdictions, which could adversely impact our business and require that we incur substantial costs Existing privacy- related laws and regulations in the United States and other countries are evolving and are subject to unclear or potentially differing interpretations, and various U. S. federal and state or other international legislative and regulatory bodies may expand or enact laws regarding privacy and data security- related matters. In Europe, conflicting privacy policies are being pursued by the Commission, legislators and enforcement agencies. New privacy laws may lack clarity and depend on regulators implementing further rules and guidance, which are often significantly delayed, such as in Brazil, China and the European Union. Some countries are considering or have passed legislation that requires local storage and processing of data, including geospatial data, which could impact our ability to deliver cloud- based solutions in an efficient manner. ~~The~~ **In 2023, the** U. S. and European Union **agreed** ~~continue to pursue agreement~~ on ~~the governing basis~~ **a new EU- U. S. Data Privacy Framework to provide a mechanism** for data transfers from the EU to the U. S. **as a replacement for the invalided Privacy Shield program,** but **legal challenges to** ~~have not yet adopted~~ the ~~EU- U. S. Data Privacy~~ Framework **are currently pending** . International transfers of personal data present ongoing compliance challenges and complicate our business transactions and operations. In addition, the California ~~Consumer Privacy Act (the " CCPA "), which took effect in January 2020, was amended by the California~~ Privacy Rights Act (" the " CPRA ") ~~and~~ **amendments to the California Consumer Privacy Act (the " CCPA ")** took full effect in January 2023, with enforcement to begin **in March** ~~on July 1, 2023~~ **2024** . The CCPA ~~and~~ **, as amended by the** CPRA, among other things ~~,~~ give California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. Other U. S. states and the U. S. Congress have introduced, and ~~some~~ **a number of** states ~~like Virginia, Colorado, Connecticut and Utah~~ have enacted, data privacy legislation, which may impact our business. Such legislation, amendments and revisions to existing data privacy legislation, and other developments impacting data privacy and data protection may contain unclear and conflicting requirements, and may require us to modify our data processing practices and policies, increase the complexity of providing our products and services, and cause us to incur substantial costs in an effort to comply. Failure to comply may lead to significant fines and business interruption. We are subject to the impact of governmental and other certifications processes and regulations, which could adversely affect our products and our business We market many products that are subject to governmental regulations and certifications before they can be sold. The European Union increasingly regulates the use of our products on agriculture, construction, and other types of machinery. As we develop and enhance features which support automated and autonomous operation of our products, we are increasingly subject to functional safety regulation. Conformité Européenne (CE) certification is required for GNSS receivers and data communications products, which must also conform to the European harmonized GNSS receiver requirements and the radio equipment directive to be sold in the European community. In the future, the U. S., European, or other governmental authorities may propose GPS receiver testing and certification for compliance with published GPS signal interface or other specifications. Governmental authorities may also propose other forms of GPS receiver performance standards, which may limit design alternatives, hamper product innovation, or impose additional costs. Some of our products that use integrated radio communication technology require product type certification and some products require an end user to obtain licensing from the FCC and other national authorities for frequency- band usage. Compliance with evolving product regulations in our major markets could require that we redesign our products, cease selling products in certain markets, and increase our costs of product development. An inability to obtain required certifications in a timely manner could adversely affect our ability to bring our products to market and harm our customer relationships. Failure to comply with evolving requirements could result in fines and limitations on sales of our products. Financial and tax risks Our debt could adversely affect our cash flow and prevent us from fulfilling our financial obligations At the end of ~~2022~~ **2023** , our total debt was $ **3.** 1 ~~. 5~~ billion, of which $ 1. ~~3~~ **8** billion was senior notes. When our senior notes mature, we will have to utilize significant resources to repay these senior notes or seek to refinance them. If we decide to refinance the senior notes, we may be required to do so on different or less favorable terms, or we may be unable to refinance the senior notes at all, both of which may adversely affect our business, financial condition, and results of operation. Any downgrade by credit rating agencies could adversely affect our cost of borrowing, limit our access to the capital markets, or result in more restrictive covenants in future debt agreements. ~~In December 2022, in connection with our pending acquisition of Transporeon, we arranged to incur substantial new debt obligations including those arising under the following: • a term loan credit agreement providing for an unsecured delayed draw term loan facility in the aggregate principal amount of $ 1. 0 billion, comprised of commitments for a 3- year tranche in the amount of $ 500. 0 million and a 5- year tranche in the amount of $ 500. 0 million, and • an amendment to our 2022 Credit Facility that made $ 600. 0 million of the existing commitments under the Facility available for the pending acquisition of Transporeon and that increases our maximum permitted leverage ratio following the closing of the acquisition. Prior to arranging the above two transactions, we had entered into a 364- day bridge facility commitment letter (the " Bridge Facility ") that provided for up to € 1. 88 billion of commitments for term loans to fund our acquisition of Transporeon. The Bridge Facility was subsequently reduced to € 500 million by the term loan credit agreement and the amended 2022 Credit Facility. Because of the additional outstanding indebtedness we have and expect to incur, we have temporarily discontinued share repurchases.~~ Our outstanding indebtedness ~~, including the substantial indebtedness we plan to incur in connection with the pending acquisition of Transporeon,~~ could have other important consequences, such as: • decreasing our business flexibility, limiting access to capital, and / or increasing our borrowing costs; • requiring us to dedicate a portion of our cash flow from operations and other capital resources to debt service, thereby reducing our ability to fund working capital, capital expenditures, general corporate purposes, and other cash requirements, particularly if the ratings assigned to our debt securities by rating organizations were revised downward; • increasing our vulnerability to adverse economic and industry conditions; • reducing our ability to make investments and acquisitions, which support the growth of the company, or to repurchase shares of our common stock; and • limiting our flexibility in planning for, or reacting to changes and opportunities in our industry, which may place us at a competitive disadvantage. There are various financial covenants and other restrictions in our debt instruments. If we fail to comply with any of these requirements, the related indebtedness (and other unrelated indebtedness) could become due and payable prior to its stated maturity, and we may not be able to repay the indebtedness that becomes due. A default under our debt instruments may also significantly affect our ability to obtain additional or alternative financing. Our ability to make scheduled payments or to refinance our obligations with respect to indebtedness will depend on our operating and financial performance, which in turn, is subject to prevailing economic conditions and to financial, business, and other factors beyond our control. A portion of our outstanding debt has interest rates that float based on prevailing interest rates, and we may incur additional variable- rate debt in the future. Such rates tend to fluctuate based on general economic conditions, general interest rates, Federal Reserve rates, and the supply of and demand for credit in the relevant interbanking market. If interest rates increase, our interest expense will also increase as would the costs of refinancing existing indebtedness or obtaining new debt. Significant increases in our level of indebtedness could impact the ratings assigned to our debt securities by rating organizations, which in turn would increase the interest rates and fees that we pay in connection with our indebtedness. Changes in our effective tax rate may reduce our net income in future periods We are subject to income and other taxes in the United States and numerous foreign jurisdictions. Significant judgment is required to determine and estimate worldwide tax liabilities. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that these positions may be contested or overturned by jurisdictional tax authorities, which may have a significant impact on our global provision for income taxes. Our effective tax rate is primarily subject to the geographic mix of earnings, statutory rates, inter- company transfer pricing, and enacted tax laws. A number of factors may increase our future effective tax rates, including: • the jurisdictions in which profits are determined to be earned and taxed; • the resolution of issues arising from tax audits with the U. S. and foreign tax authorities; • changes in our intercompany transfer pricing methodology; • changes in the valuation of our deferred tax assets and liabilities; • increases in expense not deductible for tax purposes, including transaction costs and impairments of goodwill in connection with acquisitions; • changes in the realizability of available tax credits; • changes in share- based compensation; • changes in tax laws or the interpretation of such tax laws; and • changes in generally accepted accounting principles. ~~Tax laws are dynamic and subject to change as new laws are passed and~~

~~new interpretations of the law are issued or applied, and governmental tax authorities are increasingly scrutinizing the tax positions of companies.~~ The jurisdictions where we do business may change tax laws, regulations, and interpretations on a prospective or retroactive basis and these potential changes could adversely affect our effective tax rates ~~. As these~~ and ~~other tax laws and related regulations change, our financial results could be materially impacted. Given the unpredictability of these possible changes and their potential interdependency, it is very difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could~~ impact our financial results. The Organization of Economic Cooperation and Development (" OECD ") introduced **,** and member countries agreed to **,** a framework that imposes a minimum tax of 15 % to certain multinational enterprises. We will continue to monitor and assess how this may impact our financial results when implemented. We are currently in various stages of multiple year examinations by state and foreign taxing authorities. If taxing authorities of any jurisdiction were to successfully challenge a material tax position, we could become subject to higher taxes and our earnings could be adversely affected. We may be affected by fluctuations in currency exchange rates Over half of our revenue is derived from sales to customers outside of the U. S. ~~We~~ **, and we** are potentially exposed to adverse as well as beneficial movements in currency exchange rates. Historically, the majority of our revenue contracts are denominated in U. S. Dollars, with the most significant exception being Europe, where we invoice primarily in Euro. Additionally, a portion of our expenses, ~~primarily~~ **such as** the cost to manufacture ~~,~~ **and** ~~cost~~ **costs** of personnel ~~to deliver technical support on our products and professional services, sales and sales support, and research and development~~ , are denominated in foreign currencies, primarily the Euro. An increase in the value of the dollar could increase the real cost to our customers of our products in those markets outside the U. S. where we sell in dollars, and a weakened dollar could increase the cost of local operating expenses, procurement of raw materials from sources outside the U. S., and overseas capital expenditures. We also conduct certain investing and financing activities in local currencies. Our foreign exchange forward contracts reduce, but do not eliminate, the impact of currency exchange rate movements; therefore, changes in exchange rates could harm our business, financial condition, and results of operations. Risks related to ownership of our stock **Our** ~~The volatility of our~~ stock price **is volatile** ~~could adversely affect an investment in our common stock~~ The market price of our common stock has been, and may continue to be, highly volatile. During ~~2022~~ **2023** , our stock price ranged from $ ~~47~~ **39** . ~~52~~ **57** to $ ~~88~~ **62** . ~~06~~ **01** . **A** ~~We believe that a~~ variety of factors ~~could~~ **can** cause the price of our common stock to fluctuate, perhaps substantially, including: ~~• general conditions in the worldwide economy;~~ • quarterly fluctuations in our actual or anticipated operating results and order levels; • announcements and reports of developments related to our business, our major customers and partners, and the industries in which we compete, or the industries in which our customers compete; • security breaches; • acquisition announcements; • new products or product enhancements announced or introduced by us or our competitors; • disputes with respect to developments in patents or other intellectual property rights; • developments in our relationships with our partners, customers, and suppliers; • the imposition of tariffs or other trade barriers; • political, economic, or social uncertainty, such as the ~~ongoing military conflict~~ **conflicts in the Middle East and** between ~~Russia~~ **Russian** and Ukraine; • **general conditions in the worldwide economy; • catastrophic or geopolitical events, including** global pandemics ~~, like the COVID- 19 pandemic~~ ; and • acts of terrorism. In addition, the stock market in general and the markets for shares of " high- tech " companies in particular have frequently experienced extreme price fluctuations, which have often been unrelated to the operating performance of affected companies. ~~Any such fluctuations could adversely affect the market price of our common stock.~~ Our annual and quarterly performance ~~may fluctuate~~ **fluctuates** , which ~~could~~ **can** adversely impact our ~~financial condition, results of operations, and~~ stock price Our operating results have fluctuated and can be expected to continue to fluctuate in the future on a quarterly and annual basis as a result of a number of factors, many of which are beyond our control. Results in any period could be affected by: • changes in market demand; • competitive market conditions; • supply chain disruptions; • the amount of inventory that our dealer networks carry; • the timing of recognizing revenue; • fluctuations in foreign currency exchange rates; • the cost and availability of components; • the mix of our customer base and sales channels; • the mix of products sold; • pricing of products; • **execution of objectives and key results; •** changes in the U. S. or foreign policies on taxes, trade, or spending; • regional responses and restrictions related to global pandemics ~~, like the COVID- 19 pandemic~~ ; and • other risks, including those described below. Seasonal variations in demand for our products may also affect our quarterly results. Construction equipment revenue has historically been the highest in early spring. Our agricultural equipment revenue has historically been the highest in the first quarter, followed by the second quarter, reflecting buying in anticipation of the spring planting season in the Northern hemisphere. If we do not accurately forecast seasonal demand, we may be left with unsold inventory or have a shortage of inventory, which could adversely impact our business, financial conditions, and results of operations. Due in part to the buying patterns of our customers, a portion of our hardware revenue occurs from orders received and immediately shipped to customers in the last few weeks and days of each quarter, while our operating expense tends to remain fairly predictable. These patterns could harm our operating results if for any reason expected sales are deferred, orders are not received, or shipments are delayed a few days at the end of a quarter. The price of our common stock could decline substantially in the event any of these risks result in our financial performance being below the expectations of public market analysts and investors, which are based on historical and predictive models that are not necessarily accurate representations of the future. General risk factors We have claims and lawsuits against us that may result in adverse outcomes We are subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct business. Litigation and other claims are subject to inherent uncertainties and the outcomes can be difficult to predict. Management may not adequately reserve for a contingent liability, or may suffer unforeseen liabilities, which could then impact the results of a financial period. A material adverse impact on our consolidated financial statements could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable which, if not expected, could harm our business, financial condition, and results of operations. Catastrophic events or geopolitical conditions could disrupt our operations Acts of war, acts of terrorism or civil unrest, natural disasters and other catastrophic events, especially any events that impact our larger markets or GNSS signals or systems, could have a material adverse impact on our business. The threat of terrorism and war and heightened security and military activity in response to this threat, or any future acts of terrorism or hostilities, may involve a redeployment of the satellites used in GNSS or interruptions of the system. Civil unrest, local conflicts, or other political instability may adversely impact regional economies, cause work stoppages, or result in limitations on business transactions with the affected jurisdictions. To the extent that such interruptions result in delays or the cancellation of orders, disruption of the manufacturing or shipment of our products, or reduced demand for our products, these interruptions could have a material adverse effect on our business, financial condition, and results of operations. ~~Geopolitical risks, resulting from the Russia and Ukraine conflict, could result in increased market volatility and uncertainty, which could negatively impact our business, financial condition, and results of operations~~ The uncertain nature, magnitude, and duration of hostilities stemming from the ongoing military conflict **in the Middle East and** between Russia and Ukraine, including effects of sanctions on the world economy and markets, possible retaliatory cyber- attacks, and supply chain disruptions, have contributed to increased market volatility and uncertainty, and could have an adverse impact on our business and could amplify the existing supply chain challenges we faced. As a result of the ongoing military conflict in Ukraine, the United States, the United Kingdom, and the European Union governments, among others, implemented a series of sanctions packages against Russia. The sanctions have contributed to supply chain disruptions, higher commodity prices, higher oil and natural gas price, and a slowdown in global economic growth. It is not possible to predict the broader consequences of the conflict, which could include further sanctions; embargoes; regional instability; geopolitical shifts and adverse effects on macroeconomic conditions; the availability and cost of raw materials, supplies, freight, and labor; currency exchange rates; our suppliers, customers, and potential consumer demand for our products; and financial markets, all of which could impact our business, financial condition, and results of operations. **Additionally** ~~In December 2022~~ , we **rely on our Americas Regional Fulfillment** ~~entered~~ -- **Center (" ARFC ") in Dayton, Ohio to support our hardware product sales in the U. S. and internationally, and we typically maintain** a ~~definitive agreement~~ **significant concentration of inventory at this location. Any disruption or damage** to ~~acquire Transporeon~~ **our facility** , **operations, or inventory at our ARFC, whether as** a **result** ~~leading cloud- based transportation management software platform that is headquartered in Germany and has operations in Russia and Ukraine. If the acquisition closes as expected, it is possible that the ongoing military conflict in Ukraine or related sanctions may limit the usage~~ of **a natural disaster** ~~Transporeon products, disrupt our~~ - **or** ~~employees (both within and outside of Ukraine~~ **other catastrophic event, could significantly impair our ability to fulfill orders for our hardware products** , including **into Europe** ~~nearby regions such as Poland)~~ , **which would** negatively ~~impact the productivity of affected employees, or lead to claims against us for failure to fulfill our contractual obligations. Future public health crises and epidemics could impact our international operations and sales Our results of operations could be adversely affected to the extent that future pandemics, similar to COVID- 19 or any other epidemic, harm any significant market where we do business. Contagious disease epidemics or global pandemics could also significantly impact our international supply chain and result in component and product shortages and general disruptions to the economy. Such outbreaks could also result in mass quarantines, business closures, and significantly impact our suppliers, customers, and commercial partners in affected areas, which may materially and adversely~~ affect our ~~business, financial condition, and~~ results of operations. Damage to our reputation could significantly harm our businesses, competitive position, and prospects for growth Our ability to attract and retain investors, customers, and employees could be adversely affected by damage to our reputation resulting from various ~~sources~~ **events** , including environmental, social, and governance (" ESG ") related issues; employee misconduct, litigation, or regulatory outcomes; failure to deliver minimum standards of service and quality; compliance failures; unethical behavior; unintended breach of confidential information; and the activities of our customers and commercial partners. In addition, we are committed to aligning our purpose, culture, and corporate strategy with sustainability. Any perceived change in our dedication to these commitments could harm our reputation and could adversely impact our business. Our disclosures on these matters, and standards we set for ourselves or a failure to meet these standards, may influence our reputation and the value of our brand. For example, we have elected to share publicly our commitments and ongoing efforts in our Sustainability Report, where we address the importance of ESG matters to our stakeholders and our Company. Our business may face increased scrutiny related to these activities, including from the investment community, and our failure to achieve progress in these areas on a timely basis, or at all, could adversely affect our reputation, growth, business, financial condition, and results of operations. Climate change **could disrupt or harm** ~~may have an impact on~~ our business While we seek to mitigate our business risks associated with climate change by establishing robust environmental programs and partnering with organizations who are also focused on mitigating their own climate- related risks, we recognize that there are inherent climate- related risks wherever business is conducted. Any of our primary locations may be vulnerable to the adverse effects of climate change. ~~The 2021 wildfires in Colorado occurred in close proximity to our headquarters in Westminster, Colorado. Our California office has historically experienced, and is projected to continue to experience, climate- related events at an increasing frequency including drought, heat waves, wildfires including resultant air quality impacts, flooding, and power shutoffs associated with wildfire prevention and flooding. Furthermore, it is more difficult to mitigate the impact of these events on our employees while they work from home.~~ Changing market dynamics, global policy developments, and the increasing frequency and impact of extreme weather events on critical infrastructure in the U. S. and elsewhere **, each** have the potential to disrupt our business, the business of our third- party suppliers, and the business of our customers, and may cause us to experience higher attrition, losses, and additional costs to maintain or resume operations. Environmental, social, and governance matters and related reporting obligations may cause us to incur additional expenses or adversely impact our business or reputation U. S. and international regulators, investors, and other stakeholders are increasingly focused on ESG matters. New domestic and international laws and regulations relating to ESG matters, including human capital, diversity, sustainability, climate change, and cybersecurity are under consideration or being adopted, which may include specific, target- driven disclosure requirements or obligations. We communicate certain ESG-related initiatives, goals, and / or and other matters in our annual Sustainability Report, on our website, in our filings with the SEC, and elsewhere. For example, in 2022, we established science- based targets for Scope 1, 2, and 3 greenhouse gas emissions, certain commitments on sourcing renewable energy, and ~~certain commitments~~ **the goal** to ~~partner with~~ **engage 70 % of our** suppliers **in setting** ~~that have announced~~ their own science- based targets. Implementation of our goals and targets may require capital improvements. Our ability to achieve any stated commitment, goal, target, or objective is subject to many factors and conditions, some of which are outside of our control, including the pace of changes in technology and the cooperation and / or availability of suppliers that can meet our sustainability standards. If we fail to achieve, are perceived to have failed or been delayed in achieving, or improperly report our progress toward achieving our publicly stated goals and commitments or compliance with U. S. and international ESG laws and regulations, our business reputation and our financial condition, and results of operations may be negatively impacted.