REFINITIV

DELTA REPORT

10-Q

CAMP - CALAMP CORP.

10-Q - NOVEMBER 30, 2023 COMPARED TO 10-Q - AUGUST 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	953
CHANGES	260
DELETIONS	149
ADDITIONS	544

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended August 31, November 30, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

COMMISSION FILE NUMBER: 0-12182

CALAMP CORP.
(Exact name of Registrant as specified in its Charter)

Delaware	**95-3647070**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
15635 Alton Parkway, Suite 250 Irvine, California	**92618**
(Address of principal executive offices)	(Zip Code)

(949) 600-5600
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of Each Exchange On Which Registered
Common stock, $0.01 per share	CAMP	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock as of September 29, 2023 January 5, 2024 was 37,903,632 37,996,457.

CALAMP CORP.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED AUGUST 31, NOVEMBER 30, 2023

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PART II – OTHER INFORMATION

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CALAMP CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

Assets	August 31, 2023	February 28, 2023	November 30, 2023	February 28, 2023
Current assets:				
Cash and cash equivalents	$ 38,562	$ 41,928	$ 38,169	$ 41,928
Accounts receivable, net	71,385	82,946	70,909	82,946
Inventories	29,822	23,902	34,059	23,902
Prepaid expenses and other current assets	26,617	26,019	25,824	26,019
Total current assets	166,386	174,795	168,961	174,795
Property and equipment, net	28,791	32,832	25,724	32,832
Operating lease right-of-use assets	11,130	12,293	10,168	12,293
Deferred income tax assets	3,395	3,275	2,927	3,275
Goodwill	95,275	94,214	20,583	94,214
Other intangible assets, net	24,887	26,633	23,608	26,633
Other assets	34,054	36,078	29,270	36,078
Total assets	$ 363,918	$ 380,120	$ 281,241	$ 380,120
Liabilities and Stockholders' Equity				
Liabilities and Stockholders' Equity (Deficit)				
Current liabilities:				
Current portion of long-term debt	$ -	$ 705	$ -	$ 705

Accounts payable	46,206	52,716	46,695	52,716
Accrued payroll and employee benefits	8,597	11,766	10,112	11,766
Deferred revenue	24,764	25,448	26,328	25,448
Other current liabilities	16,200	15,865	16,568	15,865
Total current liabilities	95,767	106,500	99,703	106,500
Long-term debt, net of current portion	227,959	227,416	228,148	227,416
Operating lease liabilities	10,385	12,314	9,007	12,314
Other non-current liabilities	19,243	19,583	18,522	19,583
Total liabilities	353,354	365,813	355,380	365,813
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, $.01 par value; 3,000 shares authorized; no shares issued or outstanding	—	—		
Common stock, $.01 par value; 80,000 shares authorized; 37,741 and 37,388 shares issued and outstanding at August 31, 2023 and February 28, 2023, respectively	377	374		
Stockholders' equity (deficit):				
Preferred stock, $.01 par value; 3,000 shares authorized; no shares issued or outstanding			—	—
Common stock, $.01 par value; 80,000 shares authorized; 37,886 and 37,388 shares issued and outstanding at November 30, 2023 and February 28, 2023, respectively			379	374
Additional paid-in capital	188,200	184,672	189,747	184,672
Accumulated deficit	(177,073)	(168,816)	(262,077)	(168,816)
Accumulated other comprehensive loss	(940)	(1,923)	(2,188)	(1,923)
Total stockholders' equity	10,564	14,307		
Total stockholders' equity (deficit)			(74,139)	14,307
Total liabilities and stockholders' equity	$ 363,918	$ 380,120	$ 281,241	$ 380,120

See accompanying notes to condensed consolidated financial statements.

CALAMP CORP.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues:								

Products	$ 37,326	$ 45,694	$ 83,624	$ 85,089	$ 31,205	$ 53,331	$ 114,829	$ 138,420
Application subscriptions and other services	24,388	27,134	48,981	52,465	22,420	25,558	71,401	78,023
Total revenues	61,714	72,828	132,605	137,554	53,625	78,889	186,230	216,443
Cost of revenues:								
Products	26,195	30,298	56,810	56,033	23,216	37,672	80,026	93,705
Application subscriptions and other services	13,175	13,518	26,390	26,862	12,835	14,603	39,225	41,465
Total cost of revenues	39,370	43,816	83,200	82,895	36,051	52,275	119,251	135,170
Gross profit	22,344	29,012	49,405	54,659	17,574	26,614	66,979	81,273
Operating expenses:								
Research and development	4,800	6,757	10,642	13,757	4,051	5,479	14,693	19,236
Selling and marketing	9,618	12,734	20,641	24,212	8,884	12,486	29,525	36,698
General and administrative	10,014	13,530	21,368	28,692	10,114	11,172	31,482	39,864
Intangible asset amortization	1,128	1,330	2,350	2,672	1,116	1,323	3,466	3,995
Restructuring					1,718	-	1,718	-
Impairment loss					75,106	-	75,106	-
Total operating expenses	25,560	34,351	55,001	69,333	100,989	30,460	155,990	99,793
Operating loss	(3,216)	(5,339)	(5,596)	(14,674)	(83,415)	(3,846)	(89,011)	(18,520)
Non-operating income (expense):								
Investment income (loss)	277	(58)	484	(172)				
Investment (loss) income					(124)	818	360	646
Interest expense	(1,574)	(1,464)	(3,252)	(2,997)	(1,410)	(1,648)	(4,662)	(4,645)
Other income (expense), net	723	(507)	594	(1,449)				
Other (expense) income, net					(17)	211	577	(1,238)
Total non-operating expenses	(574)	(2,029)	(2,174)	(4,618)	(1,551)	(619)	(3,725)	(5,237)

Loss from operations before income taxes	(3,790)	(7,368)	(7,770)	(19,292)	(84,966)	(4,465)	(92,736)	(23,757)
Income tax provision	(435)	(126)	(487)	(375)	(38)	(268)	(525)	(643)
Net loss	$ (4,225)	$ (7,494)	$ (8,257)	$ (19,667)	$ (85,004)	$ (4,733)	$ (93,261)	$ (24,400)
Loss per share:								
Basic	$ (0.11)	$ (0.21)	$ (0.22)	$ (0.55)	$ (2.27)	$ (0.13)	$ (2.52)	$ (0.68)
Diluted	$ (0.11)	$ (0.21)	$ (0.22)	$ (0.55)	$ (2.27)	$ (0.13)	$ (2.52)	$ (0.68)
Shares used in computing loss per share:								
Basic	36,988	36,006	36,810	35,864	37,427	36,357	37,023	36,027
Diluted	36,988	36,006	36,810	35,864	37,427	36,357	37,023	36,027
Comprehensive loss:								
Net loss	$ (4,225)	$ (7,494)	$ (8,257)	$ (19,667)	$ (85,004)	$ (4,733)	$ (93,261)	$ (24,400)
Other comprehensive income (loss):								
Other comprehensive loss:								
Foreign currency translation adjustments	735	(1,830)	983	(1,641)	(1,248)	(316)	(265)	(1,957)
Total comprehensive loss	$ (3,490)	$ (9,324)	$ (7,274)	$ (21,308)	$ (86,252)	$ (5,049)	$ (93,526)	$ (26,357)

See accompanying notes to condensed consolidated financial statements.

CALAMP CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended August 31,		Nine Months Ended November 30,	
	2023	**2022**	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$ (8,257)	$ (19,667)	$ (93,261)	$ (24,400)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation expense	8,795	8,215	12,632	12,108
Intangible asset amortization	2,350	2,672	3,466	3,995

Stock-based compensation	3,902	6,156	5,469		8,186
Amortization of debt issuance costs and discount	554	594	825		877
Impairment loss			75,106	—	—
Noncash operating lease cost	1,673	1,756	2,575		2,591
Revenue assigned to factors	(716)	(1,524)	(798)		(2,143)
Deferred tax assets, net	1	129	480		132
Other	30	(67)	381		122
Changes in operating assets and liabilities:					
Accounts receivable	12,020	(14,242)	12,450		(26,787)
Inventories	(5,522)	(4,681)	(9,818)		(4,634)
Prepaid expenses and other assets	2,205	(4,438)	7,600		(8,878)
Accounts payable	(7,463)	8,258	(6,484)		20,752
Accrued liabilities	(2,154)	(2,842)	(1,712)		2,802
Deferred revenue	(1,117)	(3,093)	718		(2,883)
Operating lease liabilities	(2,138)	(2,901)	(3,636)		(3,681)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	4,163	(25,675)	5,993		(21,841)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(3,824)	(4,891)	(6,176)		(9,294)
NET CASH USED IN INVESTING ACTIVITIES	(3,824)	(4,891)	(6,176)		(9,294)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Taxes paid related to net share settlement of vested equity awards	(502)	(1,568)	(520)		(1,675)
Proceeds from exercise of stock options and contributions to employee stock purchase plan	131	502	131		502
NET CASH USED IN FINANCING ACTIVITIES	(371)	(1,066)	(389)		(1,173)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,334)	132	(3,187)		(2,007)
Net change in cash and cash equivalents	(3,366)	(31,500)	(3,759)		(34,315)
Cash and cash equivalents at beginning of period	41,928	79,221	41,928		79,221
Cash and cash equivalents at end of period	$ 38,562	$ 47,721	$ 38,169		$ 44,906

See accompanying notes to condensed consolidated financial statements.

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CALAMP CORP.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

(In thousands)

(Unaudited)

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Total stockholders' equity, beginning balances	$ 12,444	$ 28,589	$ 14,307	$ 75,402	$ 10,564	$ 21,820	$ 14,307	$ 75,402

Common stock and additional paid-in capital:								
Beginning balances	186,967	178,279	185,046	242,747	188,577	180,834	185,046	242,747
Cumulative-effect adjustment related to the adoption of ASU 2020-06	—	—	-	(67,003)	—	—	-	(67,003)
Stock-based compensation expense	1,724	3,196	3,902	6,156	1,567	2,030	5,469	8,186
Shares issued on net share settlement of equity awards	(245)	(1,143)	(502)	(1,568)	(18)	(107)	(520)	(1,675)
Exercise of stock options and contributions to employee stock purchase plan	131	502	131	502	—	—	131	502
Ending balances	188,577	180,834	188,577	180,834	190,126	182,757	190,126	182,757
Accumulated deficit:								
Beginning balances	(172,848)	(148,499)	(168,816)	(165,965)	(177,073)	(155,993)	(168,816)	(165,965)
Cumulative-effect adjustment related to the adoption of ASU 2020-06	—	—	—	29,639	—	—	—	29,639
Net loss	(4,225)	(7,494)	(8,257)	(19,667)	(85,004)	(4,733)	(93,261)	(24,400)
Ending balances	(177,073)	(155,993)	(177,073)	(155,993)	(262,077)	(160,726)	(262,077)	(160,726)
Accumulated other comprehensive income (loss):								
Beginning balances	(1,675)	(1,191)	(1,923)	(1,380)	(940)	(3,021)	(1,923)	(1,380)
Foreign currency translation adjustments	735	(1,830)	983	(1,641)	(1,248)	(316)	(265)	(1,957)
Ending balances	(940)	(3,021)	(940)	(3,021)	(2,188)	(3,337)	(2,188)	(3,337)
Total stockholders' equity, ending balances	$ 10,564	$ 21,820	$ 10,564	$ 21,820	$ (74,139)	$ 18,694	$ (74,139)	$ 18,694
See accompanying notes to condensed consolidated financial statements.	See accompanying notes to condensed consolidated financial statements.				See accompanying notes to condensed consolidated financial statements.			

CALAMP CORP.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX NINE MONTHS ENDED AUGUST 31, NOVEMBER 30, 2023 AND 2022

NOTE 1 - DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

CalAmp Corp. (including its subsidiaries unless the context otherwise requires, “CalAmp”, “the Company”, “we”, “our”, or “us”) is a connected intelligence company that leverages a data-driven solutions ecosystem to help people and organizations improve operational performance. We solve complex problems for customers within the market verticals of transportation and logistics, commercial and government fleets, industrial equipment, and consumer vehicles by providing solutions that track, monitor, and recover their vital assets. The data and insights enabled by CalAmp solutions provide real-time visibility into a user’s vehicles, assets, drivers, and cargo, giving organizations greater understanding and control of their operations. Ultimately, these insights drive operational visibility, safety, efficiency, maintenance, and sustainability for organizations around the world. We are a global organization that is headquartered in Irvine, California.

Basis of Presentation

In the opinion of our management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments) considered necessary to present fairly our financial position at August 31, 2023 November 30, 2023 and our results of operations for the three and six nine months ended August 31, 2023 November 30, 2023 and 2022. The results of operations for such periods are not necessarily indicative of results to be expected for the full fiscal year ending February 29, 2024.

Certain notes and other information included in the audited financial statements in our Annual Report on Form 10-K for the fiscal year ended February 28, 2023 are condensed in or omitted from the interim financial statements presented in this Quarterly Report on Form 10-Q. Therefore, these financial statements should be read in conjunction with our 2023 Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission (“SEC”) on April 28, 2023.

All intercompany transactions and accounts have been eliminated in consolidation.

The accompanying condensed consolidated financial statements have been prepared with the assumption that the Company will continue as a going concern. Based on our current and projected level of operations, we believe that our future cash flows from operating activities, our existing cash and cash equivalents and our revolving credit facility will provide adequate funds for ongoing operations and working capital requirements for at least the next 12 months. However, our business is subject to various factors that could materially impact our assumptions leading to the future consumption of our available cash.

As a subsequent event, on December 15, 2023, the Company entered into a credit agreement under which it borrowed $45 million, bearing an interest rate equal to the secured overnight financing rate plus 6.75% with a maturity date of December 15, 2027 (the "Term Loan"). Concurrent with the Term Loan, the Company paid off the remaining liabilities under its asset-based revolving credit facility and terminated that arrangement. The Company further concurrently entered into a supplemental indenture granting a first priority interest in substantially all the Company's assets to the holders of the 2025 Convertible Notes. Defaults under the Term Loan and supplemental indenture to the 2025 Convertible Notes constitute default events under each respective indebtedness. See Note 15, *Subsequent Events*, for additional information.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We have considered all known and reasonably available information that existed throughout the three and six nine months ended August 31, 2023 November 30, 2023 in making accounting judgments, estimates and disclosures.

Revenue Recognition

Revenues from subscription services are recognized ratably on a straight-line basis over the term of the subscription, which generally ranges from two to five years.

We recognize revenue from telematics product sales upon the transfer of control of promised products to customers in an amount that reflects the transaction price. Customers generally do not have a right of return except for defective products returned during the warranty period. We record estimated commitments related to customer incentive programs as reductions of revenues.

From time to time, we provide various professional services to customers. These services include project management, engineering services and installation services, which are often distinct from other performance obligations and are recognized as the related services are performed. For certain professional service contracts, we recognize revenue based on the proportion of total costs incurred to-date over the estimated cost of the contract, which is an input method.

In many customer arrangements, subscription services are bundled with the sale or lease of telematics devices within the same contractual arrangement. To determine the performance obligations under these arrangements, we assess the contractual elements and, in particular, whether the telematics products within the arrangement are distinct. This is an area of judgment that includes the consideration of all elements of the arrangement. Significant factors in determining whether telematics devices are distinct are whether such devices are sold separately, as well as the degree of integration and interdependency between the subscription elements of the arrangement and the associated telematics devices. If we

conclude that the telematics devices within a customer arrangement are distinct and therefore represent a separate performance obligation, the total expected consideration associated with the contract is allocated between the performance obligations based upon the relative stand-alone selling price associated with each performance obligation. We base stand-alone selling prices on pricing for the same or similar items.

For some customer arrangements, we have concluded that the subscription services and associated telematics devices are not distinct performance obligations and thus represent a single combined performance obligation. For certain other customer arrangements under which devices are leased in combination with subscription services, we consider the arrangement to be predominately a subscription service and thus a combined single performance obligation for purposes of revenue recognition. In both of these circumstances, we generally recognize the total expected consideration as revenue over the term of the subscription. In customer arrangements for which the embedded lease is an operating lease, we utilize the practical expedient that allows for the combining of lease and nonlease components. Device related costs associated with arrangements in which title to the device is transferred to the customer under a single combined performance obligation are recorded as deferred costs on the balance sheet and are amortized into cost of revenues over the term of the subscription or the estimated in-service lives of the devices. In contractual arrangements under which we provide devices as part of the subscription contract but we retain control of the devices, the cost of the devices is capitalized as property and equipment and depreciated over the estimated useful life of three to five years.

We exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by us from a customer.

The timing of revenue recognition may differ from the timing of our invoicing to customers. Contract assets are comprised of unbilled amounts for which we have transferred products or provided services to our customers and are classified as accounts receivable. Contract liabilities (deferred revenues) are comprised of billings or payments received from our customers in advance of performance under the contract. During the three and six nine months ended August 31, 2023 November 30, 2023, we recognized $6.6 4.4 million and $16.1 20.5 million, respectively, in revenue from the deferred revenue balance of $36.6 million as of February 28, 2023.

Incremental costs of obtaining a contract with a customer consist of sales commissions, which are recognized on a straight-line basis over the life of the corresponding contracts. Sales commissions included in prepaid expenses and other current assets and other assets were $1.9 1.8 million and $3.0 2.3 million, respectively, as of August 31, 2023 November 30, 2023.

We disaggregate revenue from contracts with customers into reportable segments, geography, type of goods and services and timing of revenue recognition. See Note 12, 13, *Segment Information and Geographic Data*, for our revenue by segment and geography. The disaggregation of revenue by type of goods and services and by timing of revenue recognition is as follows (in thousands):

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue by type of goods and services:								
Telematics devices and accessories	$ 37,358	$ 45,694	$ 83,649	$ 85,089	$ 31,217	$ 53,331	$ 114,866	$ 138,420
Rental income and other services	$ 5,656	6,656	$ 11,090	10,926	$ 4,583	6,307	$ 15,673	17,233
Recurring application subscriptions (1)	$ 18,700	20,478	$ 37,866	41,539	$ 17,825	19,251	$ 55,691	60,790
Total	$ 61,714	$ 72,828	$ 132,605	$ 137,554	$ 53,625	$ 78,889	$ 186,230	$ 216,443

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue by timing of revenue recognition:								
Revenue recognized at a point in time	$ 41,209	$ 50,685	$ 89,760	$ 92,174	$ 33,090	$ 57,337	$ 122,850	$ 149,511
Revenue recognized over time	$ 20,505	22,143	42,845	45,380	$ 20,535	21,552	63,380	66,932
Total	$ 61,714	$ 72,828	$ 132,605	$ 137,554	$ 53,625	$ 78,889	$ 186,230	$ 216,443

(1) Recurring application subscriptions includes $0.0 million and $0.6 0.5 million during the three months ended August 31, 2023 November 30, 2023 and 2022, respectively, and $0.0 million and $1.4 1.9 million during the six nine months ended August 31, 2023 November 30, 2023 and 2022, respectively, attributable to the auto vehicle finance business which has been completely wound down.

Telematics devices and accessories revenues presented in the table above include devices sold in customer arrangements that include both device and subscription services. Revenues related to recurring application subscriptions include subscription revenues as well as amortization of deferred revenue for contractual arrangements under which the subscription services and associated telematics devices were determined to be a single combined performance obligation.

Remaining performance obligations for Software & Subscription Services represents contracted revenue that has not yet been recognized, which includes deferred revenue on our consolidated balance sheets and unbilled amounts that will be recognized as revenue in future periods. As of August 31, 2023 November 30, 2023 and February 28, 2023, we have estimated remaining performance obligations for contractually committed revenues of

$194.2 186.0 million and $234.5 million respectively. As of August 31, 2023 November 30, 2023, we expect to recognize approximately 30 19% of the revenue under these remaining performance obligations in the remainder of fiscal 2024 and 35 46% in fiscal 2025. As of February 28, 2023, we expected to recognize approximately 49% of the then remaining performance obligations in fiscal 2024 and 27% in fiscal 2025. We exclude contracts that have original durations of less than one year from the aforementioned remaining performance obligation disclosure.

Cash and Cash Equivalents

We consider all highly liquid investments with maturities at date of purchase of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consists of amounts due to us from sales arrangements executed in our normal business activities and are recorded at invoiced amounts or in some cases amounts expected to be invoiced. In addition, this balance includes unbilled amounts as discussed within *Revenue Recognition* above. Our payment terms generally range between 30 to 60 days of our invoice date with a few exceptions that extend the credit terms up to 90 days, and we do not offer financing options. We present the aggregate accounts receivable balance net of an allowance for doubtful accounts. Generally, collateral and other security is not obtained for outstanding accounts receivable. Credit losses, if any, are recognized based on management's evaluation of historical collection experience, customer-specific financial conditions as well as an evaluation of current industry trends and general economic conditions. Past due balances are assessed by management on a periodic basis and balances are written off when the customer's financial condition no longer warrants pursuit of collection. Actual collections may differ from estimated amounts.

We group all accounts receivables and lease receivables into a single portfolio and analyze the credit risk associated with our accounts receivables and lease receivables. Our historical loss rates have not shown any significant differences between customer industries or geographies. As disclosed in Note 12, 13, *Segment Information and Geographic Data*, we do not have significant international geographic concentrations of revenue, and, as a result, we do not have significant concentrations of accounts receivables or lease receivables in any single geography outside of the United States.

The allowance for doubtful accounts totaled $2.4 2.8 million and $1.8 million as of August 31, 2023 November 30, 2023 and February 28, 2023, respectively.

Goodwill and Other Long-Lived Assets

Goodwill and long-lived assets to be held and used, including identifiable intangible assets, are reviewed for impairment annually in the fourth quarter or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans or changes in anticipated future cash flows. If an impairment indicator is present, we evaluate recoverability by a comparison of the carrying amount of the assets or reporting unit to the estimated fair value of those assets or reporting unit determined using either an income approach, a market approach, or a combination of both. If the assets are impaired, the impairment recognized is the amount by which the carrying amount exceeds the fair value of the assets.

As of August 31, 2023 November 30, 2023 we identified goodwill and intangible asset potential impairment indicators relating to the overall decline in our stock price and the performance of the business. We do not believe that it is more likely than not that an impairment has occurred as of August 31, 2023. If certain business units. Overall, our revenue and gross margin performance continued to deteriorate, further or do not recover, it is possible and our stock price continued to decline during the three and nine months ended November 30, 2023, declining approximately (48%) from the August 31, 2023 closing price and (93%) from the February 28, 2023 closing price to $0.32 as of November 30, 2023, reflecting a market capitalization that there could was below our November 30, 2023 net book value. As of November 30, 2023, the decline in our stock price and other factors were deemed to be sustained, and therefore a triggering event as of November 30, 2023 was deemed to have occurred, requiring impairment assessments of our goodwill and long-lived assets to be held and used.

In accordance with the accounting guidance within ASC 350, *Intangibles – Goodwill and Other* ("ASC 350"), and ASC 360, *Property, Plant and Equipment*, our long-lived assets to be held and used were initially tested to determine if the related assets were recoverable, which required a comparison of undiscounted cash flows of the asset groups to their carrying value. Our long-lived assets to be held and used include our property and equipment, right-of-use assets, and amortizable intangible assets. Triggering events were identified within specific asset groups within the Software and Subscription Services businesses. The Company identified the cash flows for each asset group over a period of time reflective of the remaining useful life of the primary asset within each asset group, along with the cash flows associated with a hypothetical sale of each asset group at the end of the respective periods. Based on this comparison, the sum of the undiscounted cash flows for each asset group was in excess of the respective asset group's carrying value, and each asset group was deemed to be recoverable with substantial cushion. No additional consideration of impairment of our long-lived assets to be held and used was required.

Subsequently, the Company evaluated the impairment of its goodwill by determining the fair value of the Company's three reporting units using the assistance of a third-party valuation specialist. In accordance with ASC 350, the impairment of goodwill is determined through a comparison of the fair value of a reporting unit compared to the reporting unit's carrying value; if the carrying value exceeds the fair value of the reporting unit, the difference is to be recognized as goodwill impairment of the reporting unit until such time that the goodwill balance is $0. The

fair value of the reporting units was determined using a combination of the income and intangible assets market approaches. For each reporting unit, we applied a weighting to the fair value determination under each approach in future periods associated order to determine the fair value of the respective reporting unit. The income approach for each reporting unit used the discounted cash flow method to determine the fair value, which included the following Level 3 significant inputs: projected financial information, income tax rates, and discount rates. The market approach for each reporting unit reflected a fair value calculated by the product of selected public company multiples, Level 3 inputs, and the reporting unit's revenue and EBITDA. A weighting for each reporting unit was then applied to the fair value results from each method to estimate the fair value of the respective reporting units. In order to ensure the reasonableness of the individual reporting unit's fair value, we utilized a reconciliation of the market capitalization of the Company as of November 30, 2023, a Level 1 input, to the sum of the fair value of the reporting units with an implied control premium applied. Based on the comparison of the individual reporting unit's fair value and the respective reporting unit's carrying value, the estimated fair value of the Tracking & Monitoring Reporting Unit within the Software and Subscription Services segment and the Telematics Reporting Unit within the Telematics segment. segment was $67.3 million and $14.3 million respectively, compared to carrying values of $126.6 million and $33.0 million, respectively, as of November 30, 2023. As such, impairment charges related to the Company's United States operations within these reporting units were recognized in the condensed consolidated statement of operations during the quarter ended November 30, 2023 of $74.4 million, reflecting the sum of the difference between the carrying values and fair values of the Tracking & Monitoring Reporting Unit and Telematics Reporting Unit.

Fair Value Measurements

We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in our financial statements. We define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly manner in an arm's-length transaction between market participants at the measurement date. Fair value is estimated by using the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Litigation and Other Contingencies

We accrue for litigation and other contingencies whenever we determine that an unfavorable outcome is probable and a liability is reasonably estimable. The amount of the accrual is estimated based on a review of each claim, including the type and facts of the claim and our assessment of the merits of the claim. These accruals are reviewed at least on a quarterly basis and are adjusted to reflect the impact of recent negotiations, settlements, court rulings, advice from legal counsel and other events pertaining to the case. Such accruals, if any, are recorded as

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general and administrative expenses in our condensed consolidated statements of comprehensive loss. Although we take considerable measures to mitigate our exposure in these matters, litigation is unpredictable; however, we believe that we have valid defenses with respect to pending legal matters against us as well as adequate provisions for probable and estimable losses. All costs for legal services are expensed as incurred.

Liquidity and Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Management evaluated whether there are any conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern over the next twelve months from the issuance of the accompanying consolidated financial statements. The Company is currently listed on the NASDAQ Global Select Market, LLC ("Nasdaq"), a national securities exchange. The Nasdaq requires companies desiring to list their common stock to meet certain listing criteria including total number of shareholders, minimum stock price, total value of public float, and in some cases total shareholders' equity and market capitalization. The Company's failure to meet such applicable listing criteria could prevent the Company from listing its common stock on the Nasdaq. The Company has received a delisting notice from Nasdaq as the Company's shares are currently trading below the minimum $1 stock price listing requirement. In addition, at the date of issuance of its interim consolidated condensed financial statements, the Company has measured its compliance with the continued listing criteria set forth in Nasdaq listing rules 5450(a) and 5450(b)(1)-(3) with respect to the minimum market value of publicly held shares, minimum market value of listed securities, and minimum stockholders' equity requirements, and concluded that it was not in compliance with the aforementioned listing standards. The Company has not yet received an additional non-compliance notice from Nasdaq.

If the Company's common stock ceases to be listed on any of The NASDAQ Global Market or The NASDAQ Global Select Market (or any of their respective successors), then a "fundamental change" under the 2025 Convertible Notes would occur. If such a fundamental change under the 2025 Convertible Notes were to occur, holders of the Company's 2025 Convertible Notes may require the Company to repurchase their 2025 Convertible Notes following the fundamental change at a cash repurchase price generally equal to the principal amount of the 2025 Convertible Notes to be repurchased, plus accrued and unpaid interest. At August 31, 2023

As of November 30, 2023, and through the date the financial statements are issued, the Company believes it has sufficient liquidity to be able to operate its business for at least 12 months following the date that the financial statements are issued. However, as of November 30, 2023 the principal amount of the 2025 Convertible notes plus accrued and unpaid interests is in excess of the Company's available cash resources.

Management concluded that the uncertainties associated with the Company's ability to cure noncompliance with the Nasdaq listing requirements coupled with the redemption repurchase rights of the 2025 Convertible Note Holders holders under a fundamental change scenario represent conditions raising substantial doubt regarding the Company's ability to continue as a going concern before consideration concern.

In response to these conditions, management intends to request a waiver from the holder of management's plans. The the 2025 Convertible Notes to waive the fundamental change provision in the Convertible Notes agreement and concede the right to require the Company plans to effect a reverse-stock spilt repurchase the Convertible Notes in the event that the Company is delisted from the Nasdaq. However, these plans have not been finalized and are not within the Company's stock price does control, and therefore cannot be deemed probable. As a result, the Company has concluded that management's plans do not improve alleviate substantial doubt about the Company's ability to meet continue as a going concern.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

As a subsequent event, on December 15, 2023, the Company entered into a credit agreement under which it borrowed $45 million, bearing an interest rate equal to the secured overnight financing rate plus 6.75% with a maturity date of December 15, 2027 (the "Term Loan"). Concurrent with the

Term Loan, the Company paid off the remaining liabilities under its ongoing Nasdaq listing requirements which will prevent asset-based revolving credit facility and terminated that arrangement. The Company further concurrently entered into a supplemental indenture granting a first priority interest in substantially all the occurrence Company's assets to the holders of a fundamental change under the 2025 Convertible Notes. Management believes that it is probable that shareholder approval will be obtained for Defaults under the reverse-stock split Term Loan and that the reverse-stock split will restore compliance with the Nasdaq listing requirements, and a fundamental change under supplemental indenture to the 2025 Convertible Notes will thus not be triggered . constitute default events under each respective indebtedness. Defaults under the Term Loan and supplemental indenture to the 2025 Convertible Notes constitute default events under each respective indebtedness. See Note 15, *Subsequent Events*, for additional information.

Foreign Currency Translation

We translate the assets and liabilities of our non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each period. Revenue and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. Gains and losses from these translations are recognized in foreign currency translation included in accumulated other comprehensive income (loss) during the period. The aggregate foreign currency transaction exchange rate gain (loss) included in determining income (loss) before income taxes was $ ($0.5 0.1) million and $0.7 0.6 million for the three and six nine months ended August 31, 2023 November 30, 2023, respectively. The aggregate foreign currency transaction exchange rate gain (loss) included in determining income (loss) before income taxes was ($ $0.3 0.5) million and ($0.6 0.1) million for the three and six nine months ended August 31, 2022 November 30, 2022, respectively.

Comprehensive Loss

Comprehensive loss consists of two components, net loss and other comprehensive income (loss) loss ("OCI"). OCI refers to revenue, expenses and gains and losses that under GAAP are recorded as an element of stockholders' equity and excluded from net loss. Our OCI consists of foreign currency translation adjustments from those subsidiaries not using the U.S. dollar as their functional currency.

Recently Issued Accounting Pronouncements, Not Yet Adopted

There are currently no accounting standards that have been issued but not yet adopted that we believe will have a significant impact on our unaudited condensed consolidated financial position, results of operations or cash flows.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The following tables summarize our financial instrument assets (in thousands):

	As of August 31, 2023					As of November 30, 2023				
				Balance Sheet Classification of Fair Value					Balance Sheet Classification of Fair Value	
	Cost	Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents	Other Assets	Cost	Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents	Other Assets
Cash	$ 38,536	$ —	$ 38,536	$ 38,536	$ —	$ 38,169	$ —	$ 38,169	$ 38,169	$ —
Level 1:										

Money market funds	26	—	26	26	—	-	—	-	-	—
Mutual funds (1)	412	13	425	—	425	4,828	207	5,035	—	5,035
Total	$ 38,974	$ 13	$ 38,987	$ 38,562	$ 425	$ 42,997	$ 207	$ 43,204	$ 38,169	$ 5,035

	As of February 28, 2023				
				Balance Sheet Classification of Fair Value	
	Cost	Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents	Other Assets
Cash	$ 41,903	$ —	$ 41,903	$ 41,903	$ —
Level 1:					
Money market funds	25	—	25	25	—
Mutual funds (1)	341	(3)	338	—	338
Total	$ 42,269	$ (3)	$ 42,266	$ 41,928	$ 338

(1) Amounts represent various equities, bond and money market mutual funds that are held in an irrevocable “Rabbi Trust” for payment obligations to non-qualified deferred compensation plan participants. In addition to the mutual funds above, our “Rabbi Trust” also included Corporate-Owned Life Insurance (COLI) starting in fiscal 2020. During the three months ended November 30, 2023 the COLI was closed and the value of the policy was returned to mutual funds. As of August 31, 2023 November 30, 2023, the there was no cash surrender value of COLI was $6.0 million. the COLI.

NOTE 3 - INVENTORIES

Inventories consist of the following (in thousands):

	August 31, 2023	February 28, 2023	November 30, 2023	February 28, 2023
Raw materials	$ 8,945	$ 11,920	$ 7,684	$ 11,920
Finished goods	20,877	11,982	$ 26,375	11,982
	$ 29,822	$ 23,902	$ 34,059	$ 23,902

NOTE 4 – GOODWILL AND OTHER INTANGIBLE ASSETS

Other intangible assets consist of the following (in thousands):

		Gross (2)			Accumulated Amortization (2)			Net	
	Useful Life	February 28, 2023	Additions & Adjustments, net (1)	August 31, 2023	February 28, 2023	Expense	August 31, 2023	February 28, 2023	August 31, 2023
Developed technology	4-6 years	$ 26,895	$ 97	$ 26,992	$ 26,735	$ 257	$ 26,992	$ 160	$ -
Trade names	10 years	30,046	65	30,111	22,704	959	23,663	7,342	6,448
Customer relationships	10-15 years	35,613	442	36,055	16,813	1,134	17,947	18,800	18,108
Patents	5 years	589	—	589	258		258	331	331

		Gross (2)			Accumulated Amortization (2)			Net	
	Useful Life	February 28, 2023	Additions & Adjustments, net (1)	November 30, 2023	February 28, 2023	Expense	November 30, 2023	February 28, 2023	November 30, 2023
Developed technology	4-6 years	$ 26,895	$ 169	$ 27,064	$ 26,735	$ 329	$ 27,064	$ 160	$ -
Trade names	10 years	30,046	60	30,106	22,704	1,437	24,141	7,342	5,965
Customer relationships	10-15 years	35,613	212	35,825	16,813	1,700	18,513	18,800	17,312
Patents	5 years	589	—	589	258		258	331	331

9		9	6		6	2	2								
3,		3,	6,	2,	8,	6,	4,								
1		7	5	3	8	6	8								
4	60	4	1	5	6	3	8								
$ 3	$ 4	$ 7	$ 0	$ 0	$ 0	$ 3	$ 7	$ 93,143	$ 441	$ 93,584	$ 66,510	$ 3,466	$ 69,976	$ 26,633	$ 23,608

(1) Amounts also include any net changes in intangible asset balances for the periods presented that resulted from foreign currency translations.
(2) This table excludes the gross value of fully amortized intangible assets totaling $42.8 million and $38.9 million at August 31, 2023 November 30, 2023 and February 28, 2023, respectively.

Intangible assets with finite lives are amortized on a straight-line basis over the expected period to be benefited by future cash flows. We monitor and assess these assets for impairment on a periodic basis. Our assessment includes various new product lines and services, which leverage the existing intangible assets as well as consideration of historical and projected revenues and cash flows. Amortization expense of intangible assets was $1.1 million and $2.4 3.5 million for the three and six nine months ended August 31, 2023 November 30, 2023, respectively. Amortization expense of intangible assets was $1.3 million and $2.7 4.0 million for the three and six nine months ended August 31, 2022 November 30, 2022, respectively.

Estimated future amortization expense as of August 31, 2023 November 30, 2023 is as follows (in thousands):

2024 (remainder)	$ 2,441	$ 1,124
2025	4,446	4,493
2026	4,226	4,199
2027	2,606	2,579
2028	2,358	2,332
Thereafter	8,810	8,881
	$ 24,887	$ 23,608

Changes in goodwill are as follows (in thousands):

	Software & Subscription Services	Telematics Products	Total	Software & Subscription Services	Telematics Products	Total
Balance as of February 28, 2023	$ 78,025	$ 16,189	$ 94,214	$ 78,025	$ 16,189	$ 94,214
Impairment loss				(58,247)	(16,189)	(74,436)
Effect of exchange rate change on goodwill	1,061	—	1,061	805	—	805
Balance as of August 31, 2023	$ 79,086	$ 16,189	$ 95,275			
Balance as of November 30, 2023				$ 20,583	$ -	$ 20,583

See Note 1, *Description of Business, Basis of Presentation and Summary of Significant Accounting Policies*, for discussion of the goodwill impairment charges recorded during the nine months ended November 30, 2023.

NOTE 5 – OTHER ASSETS

Other assets consist of the following (in thousands):

	August 31, 2023	February 28, 2023	November 30, 2023	February 28, 2023
Deferred product cost	$ 805	$ 842	$ 790	$ 842
Deferred compensation plan assets	6,542	6,221	5,035	6,221
Lease receivables, non-current	20,669	22,006	18,439	22,006
Prepaid commissions	2,979	4,057	2,288	4,057
Other	3,059	2,952	2,718	2,952
	$ 34,054	$ 36,078	$ 29,270	$ 36,078

NOTE 6 – FINANCING ARRANGEMENTS

The following table provides a summary of our debt as of August 31, 2023 November 30, 2023 and February 28, 2023 (in thousands):

	Maturity Date	Effective Interest Rate	August 31, 2023	February 28, 2023	Maturity Date	Effective Interest Rate	November 30, 2023	February 28, 2023
2025 Convertible Notes, 2.00% fixed rate	August 1, 2025	2.49 %	$ 230,000	$ 230,000				
2025 Convertible Notes, 2.00% fixed rate					August 1, 2025	2.49 %	$ 230,000	$ 230,000
Due to factors under revenue assignments	2020 - 2024	4.70 %	432	1,149	2020 - 2024	4.70 %	215	1,149
Total term debt			230,432	231,149			230,215	231,149
Unamortized discount and issuance costs			(2,473)	(3,028)			(2,067)	(3,028)

Less: Current portion of long-term term debt	-	(705)	-	(705)
Long-term debt, net of current portion	$ 227,959	$ 227,416	$ 228,148	$ 227,416

The effective interest rates for the convertible notes include the interest on the notes and amortization of the debt issuance costs. As of August 31, 2023 November 30, 2023 and February 28, 2023, the fair value of the 2025 Convertible Notes were $195 million and $201 million, respectively, based on Level 2 inputs.

2025 Convertible Notes

In July 2018, we issued debt of $230.0 million aggregate principal amount of convertible senior unsecured notes due in 2025 (“2025 Convertible Notes”). These notes require semi-annual interest payments at an annual rate of 2.00% until maturity, conversion, redemption or repurchase, which will be no later than August 1, 2025. We may redeem the notes at our option at any time on or after August 6, 2022 at a cash redemption price equal to the principal amount plus accrued interest, but only if the last reported sale price per share of our stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we send the related redemption notice; and (ii) the trading day immediately before the date we send such notice. The 2025 Convertible Notes are convertible into cash, shares of our common stock or a combination of both, at our election, based on an initial conversion price of $30.7450. Holders may convert their 2025 Convertible Notes at their option upon the occurrence of certain events, as defined in the 2025 Indenture.

If our common stock ceases to be listed on any of The NASDAQ Global Market or The NASDAQ Global Select Market (or any of their respective successors), then a “fundamental change” under our 2025 Convertible Notes would occur. If such a fundamental change were to occur, holders of our 2025 Convertible Notes may require us to repurchase their 2025 Convertible Notes following the fundamental change at a cash repurchase price generally equal to the principal amount of the 2025 Convertible Notes to be repurchased, plus accrued and unpaid interest, if any.

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In July 2018, in connection with the 2025 Convertible Notes, we entered into capped call transactions with certain option counterparties who were initial purchasers of the 2025 Convertible Notes. The capped call transactions are expected to reduce the potential dilution of earnings per share upon conversion of the 2025 Convertible Notes. Under the capped call transactions, we purchased options relating to 7.48 million shares of common stock underlying the notes, with a strike price equal to the conversion price of the notes and with a cap price equal to $41.3875. We

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paid $21.2 million for the note hedges and as a result, approximately $15.9 million, net of tax, was recorded as a reduction to additional paid-in capital within stockholders’ equity.

As a subsequent event, on December 15, 2023, the Company entered into a credit agreement under which it borrowed $45 million, bearing an interest rate equal to the secured overnight financing rate plus 6.75% with a maturity date of December 15, 2027 (the "Term Loan"). Concurrent with the Term Loan, the Company paid off the remaining liabilities under its asset-based revolving credit facility and terminated that arrangement. The Company further concurrently entered into a supplemental indenture granting a first priority interest in substantially all the Company's assets to the holders of the 2025 Convertible Notes. Defaults under the Term Loan and supplemental indenture to the 2025 Convertible Notes constitute default events under each respective indebtedness. See Note 15, *Subsequent Events*, for additional information.

Revolving Credit Facility

On July 13, 2022, we replaced our revolving credit facility with JP Morgan Chase Bank, N.A. and we entered into a new revolving credit facility with PNC Bank, N.A., that provides for an asset-based senior secured revolving credit facility for borrowings up to an aggregate of $50.0 million, subject to certain conditions, including borrowing base provisions that limit borrowing capacity to 80% of eligible accounts receivable and 50% of eligible inventory. At our election, the borrowings under this revolving credit facility bear interest at either the Bloomberg short-term bank yield rate plus a margin of 2.50% per annum or an alternate base rate plus a margin of 1.50% per annum. We also pay an unused line fee ranging from 0.50% to 0.75% per annum, based on the level of borrowings, payable quarterly in arrears. Amounts owed under the revolving credit facility are guaranteed by the Company and certain of its subsidiaries. We have also granted security interests in substantially all of our respective assets to secure these obligations. The revolving credit facility will terminate, and all outstanding loans will become due and payable on the earlier of July 13, 2025 and the date that is ninety days prior to the maturity date of our 2025 Convertible notes. The proceeds available under the revolving credit facility could be used for working capital and general corporate purposes, which could include acquisitions. Amounts available for borrowing under the revolving credit facility are reduced by the balance of any outstanding letters of credit. The revolving credit facility contains customary events of default, that upon our default may require us to pay all amounts outstanding and allow PNC Bank to foreclose on collateral. As of August 31, 2023 November 30, 2023, there were no borrowings outstanding and $4.8 million of outstanding letters of credit under this revolving credit facility and total remaining borrowing availability was $32.7 28.7 million.

The revolving credit facility contains certain negative and affirmative covenants, including financial covenants that require us to maintain a fixed charge coverage rate of not less than 1.10 to 1.00, measured as of the last day of each fiscal quarter if our liquidity position, consisting of specified cash balances plus unused availability on the revolving credit facility, falls below $40.0 million on such day. Additionally, the revolving credit facility contains a cash dominion trigger whereby PNC Bank may direct domestic cash balances and receipts to pay down borrowings under the revolving credit facility should our liquidity position, consisting of specified cash balances plus unused availability on the revolving credit facility, fall below $25.0 million at the end of any month. As of August 31, 2023 November 30, 2023, we were in compliance with our covenants under the revolving credit facility.

As a subsequent event, on December 15, 2023, the Company entered into a credit agreement under which it borrowed $45 million, bearing an interest rate equal to the secured overnight financing rate plus 6.75% with a maturity date of December 15, 2027 (the "Term Loan"). Concurrent with the Term Loan, the Company paid off the remaining liabilities under its asset-based revolving credit facility and terminated that arrangement. The Company further concurrently entered into a supplemental indenture granting a first priority interest in substantially all the Company's assets to the holders of the 2025 Convertible Notes. Defaults under the Term Loan and supplemental indenture to the 2025 Convertible Notes constitute default events under each respective indebtedness. See Note 15, *Subsequent Events*, for additional information.

NOTE 7 - RESTRUCTURING ACTIVITIES

During the third quarter of fiscal 2024, we executed a restructuring plan to reduce future operating expenses and better align resources around our long-term business strategy. The restructuring provided for a reduction of our workforce and the exiting of a leased facility. Under the restructuring plan, we recorded restructuring charges of $1.7 million, which included $1.4 million related to severance and $0.3 million related to the write-off of leasehold improvements due to subleasing a facility. These charges are included in restructuring in the condensed consolidated statements of comprehensive loss for the three and nine month period ended November 30, 2023. The liability related to severance of $1.1 million is recorded in accrued payroll and employee benefits as of November 30, 2023.

NOTE 8 - INCOME TAXES

We use the assets and liabilities method when accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to the taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We evaluate our estimated annual effective tax rate ("ETR") on a quarterly basis based on current and forecasted operating results. The relationship between our income tax provision or benefit and our pretax book income or loss can vary significantly from period to period considering, among other factors, the overall level of pretax book income or loss and changes in the blend of jurisdictional income or loss that is

taxed at different rates and changes in valuation allowances. The income tax expense of $0.4 0.0 million and $0.5 million for the three and six nine months ended August 31, 2023 November 30, 2023, was primarily attributable to one of our foreign subsidiaries, partially offset by a $0.3 million decrease in uncertain tax benefits related to certain foreign net operating loss carryforwards. carryforwards and a $0.2 million decrease in valuation allowances against net deferred tax assets. Any income tax benefit associated with the pre-tax loss for the quarter ended August 31, 2023November 30, 2023, resulting primarily from the U.S. jurisdiction, is offset by a full valuation allowance.

NOTE 89 - EARNINGS PER SHARE

Basic earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income (loss) for the period by the weighted average number of common shares outstanding during the period plus the dilutive effect of outstanding stock options and restricted stock-based awards

using the treasury stock method. The calculation of the basic and diluted loss per share of common stock is as follows (in thousands, except per share value):

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net loss	$ (4,225)	$ (7,494)	$ (8,257)	$ (19,667)	$ (85,004)	$ (4,733)	$ (93,261)	$ (24,400)
Basic weighted average number of common shares outstanding	36,988	36,006	36,810	35,864	37,427	36,357	37,023	36,027
Effect of stock options and restricted stock units computed on treasury stock method	—	—	—	—	—	—	—	—
Diluted weighted average number of common shares outstanding	36,988	36,006	36,810	35,864	37,427	36,357	37,023	36,027
Basic net income (loss) per common share:								
Net loss	$ (0.11)	$ (0.21)	$ (0.22)	$ (0.55)	$ (2.27)	$ (0.13)	$ (2.52)	$ (0.68)
Diluted net income (loss) per common share:								
Net loss	$ (0.11)	$ (0.21)	$ (0.22)	$ (0.55)	$ (2.27)	$ (0.13)	$ (2.52)	$ (0.68)

All outstanding options and restricted stock units for the three and sixnine months ended August 31, 2023November 30, 2023 and 2022 were excluded from the computation of diluted loss per share because we reported a net loss for each of these periods and the effect of inclusion would be antidilutive.

NOTE 910 – STOCKHOLDERS' EQUITY

Stock-based compensation expense is included in the following captions of the condensed consolidated statements of comprehensive loss (in thousands):

	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022	Six Months Ended August 31, 2023	Six Months Ended August 31, 2022	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022	Nine Months Ended November 30, 2023	Nine Months Ended November 30, 2022
Cost of revenues	$ 30	$ 30	$ 65	$ 85	$ 26	$ 3	$ 91	$ 88
Research and development	312	672	684	1,436	257	528	941	1,964
Selling and marketing	508	749	1,147	1,309	460	737	1,607	2,046
General and administrative	874	1,745	2,006	3,326	824	762	2,830	4,088
	$ 1,724	$ 3,196	$ 3,902	$ 6,156	$ 1,567	$ 2,030	$ 5,469	$ 8,186

Changes in our outstanding stock options during the six nine months ended August 31, 2023 November 30, 2023 were as follows (options in thousands):

	Number of Options	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value	Number of Options	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding at February 28, 2023	506	$ 16.02	4.0		506	$ 16.02	4.0	
Granted	—	—			—	—		
Exercised	—	—			—	—		
Forfeited or expired	(506)	16.02			(506)	16.02		
Outstanding at August 31, 2023	-	$ -		$ -				
Exercisable at August 31, 2023	-	$ -		$ -				
Outstanding at November 30, 2023					-	$ -		$ -
Exercisable at November 30, 2023					-	$ -		$ -

Changes in our outstanding restricted stock shares, performance stock units ("PSUs") and restricted stock units ("RSUs") during the six nine months ended August 31, 2023 November 30, 2023 were as follows (restricted shares, PSUs and RSUs in thousands):

	Number of Restricted Shares, PSUs and RSUs	Weighted Average Grant Date Fair Value	Shares Retained to Cover Statutory Minimum Withholding Taxes	Number of Restricted Shares, PSUs and RSUs	Weighted Average Grant Date Fair Value	Shares Retained to Cover Statutory Minimum Withholding Taxes
Outstanding at February 28, 2023	3,506	$ 6.75		3,506	$ 6.75	
Granted	2,619	0.89		3,109	0.83	
Vested	(992)	6.98	155	(1,149)	7.16	155
Forfeited	(803)	6.33		(1,284)	4.50	
Outstanding at August 31, 2023	4,330	$ 3.24				
Outstanding at November 30, 2023				4,182	$ 2.41	

As of August 31, 2023 November 30, 2023, there was $8.7 6.4 million of total unrecognized stock-based compensation cost related to outstanding nonvested equity awards that is expected to be recognized as an expense over a weighted-average remaining vesting period of 2.0 1.8 years.

NOTE 10 11 - CONCENTRATION OF RISK

Significant Customers

We sell telematics products and services to large global enterprises in the industrial equipment, transportation and automotive market verticals. One customer in the industrial equipment industry accounted for 29 32% and 26 28% of our consolidated revenue for the three and six nine months ended August 31, 2023 November 30, 2023, respectively, and 17% and 16% of our consolidated revenue for the three and six nine months ended August 31, 2022 November 30, 2022, respectively. The same customer accounted for 20% and 14% of our consolidated accounts receivable at August 31, 2023 November 30, 2023 and February 28, 2023, respectively.

Significant Suppliers

We purchase a significant amount of our inventory from certain manufacturers or suppliers including components, assemblies and electronic manufacturing parts. These suppliers are located in Mexico and Asia, including China. Asia. The inventory is purchased under standard supply agreements that outline the terms of the product delivery. The title and risk of loss of the product generally pass to us upon shipment from the manufacturer's plant or warehouse. Some of these manufacturers accounted for more than 10% of our purchases and accounts payable as follows (rounded):

Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
2023	2022	2023	2022	2023	2022	2023	2022

Inventory purchases:								
Supplier A	19 %	9 %	18 %	10 %	21 %	15 %	19 %	12 %
Supplier B	15 %	14 %	15 %	13 %	9 %	23 %	13 %	16 %
Supplier C	16 %	17 %	19 %	21 %	24 %	14 %	21 %	18 %
Supplier D	9 %	11 %	7 %	11 %	7 %	13 %	7 %	11 %

	August 31, 2023	February 28, 2023	November 30, 2023	February 28, 2023
Accounts payable:				
Supplier A	20 %	10 %	17 %	10 %
Supplier B	10 %	22 %	8 %	22 %
Supplier C	9 %	12 %	22 %	12 %
Supplier D	13 %	9 %	13 %	9 %

We are currently reliant upon these manufacturers and suppliers for products. Although we believe that we can obtain products from other sources, the loss of a significant manufacturer or supplier could have a material impact on our financial condition and results of operations as the products that are being purchased may not be available on similar terms from another manufacturer or supplier. Additionally, a substantial portion of our products, components and subassemblies are currently procured from foreign suppliers located primarily in Hong Kong, Mainland China, Malaysia, Mexico and other Pacific Rim countries. Any significant shift in U.S. trade policy, or national security policy, toward these countries or a significant downturn in the political, economic or financial condition of these countries could cause disruption of our supply chain or otherwise disrupt operations.

NOTE 11 12 – OTHER FINANCIAL INFORMATION

Supplemental Balance Sheet Information

Other current liabilities consist of the following (in thousands):

	August 31, 2023	February 28, 2023	November 30, 2023	February 28, 2023
Operating lease liabilities	$ 4,848	$ 4,884	$ 4,758	$ 4,884
Warranty reserves	1,389	1,868	1,352	1,868
Customer deposits	4,241	2,492	3,962	2,492
Other (1)	5,722	6,621	6,496	6,621
	$ 16,200	$ 15,865	$ 16,568	$ 15,865

(1) Amount represents accruals for various operating expense expenses such as professional fees, vendor incentives and other estimates that are expecte be paid within the next 12 months.

Other non-current liabilities consist of the following (in thousands):

	August 31, 2023	February 28, 2023	November 30, 2023	February 28, 2023
Deferred revenue	$ 10,684	$ 11,104	$ 11,106	$ 11,104
Deferred compensation plan liability	6,080	5,727	5,167	5,727
Deferred tax liability	261	242	3	242
Other	2,218	2,510	2,246	2,510
	$ 19,243	$ 19,583	$ 18,522	$ 19,583

Supplemental Statement of Comprehensive Loss Information

Interest expense consists of the following (in thousands):

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Interest expense on 2025 Convertible Notes:								
Stated interest at 2.00% per annum	$ 1,150	1,150	$ 2,326	2,326				
Stated interest at 2.00% per annum					$ 1,150	1,150	$ 3,476	3,476
Amortization of discount and issue costs	269	262	542	529	271	264	813	793
	1,419	1,412	2,868	2,855	1,421	1,414	4,289	4,269
Other interest expense	155	52	384	142	(11)	234	373	376
Total interest expense	$ 1,574	$ 1,464	$ 3,252	$ 2,997	$ 1,410	$ 1,648	$ 4,662	$ 4,645

Supplemental Cash Flow Information

"Net cash provided by (used in) operating activities" includes cash payments for interest expense and income taxes, and non-cash investing activities include accrued liabilities for capital expenditures, as follows (in thousands):

	Six Months Ended August 31,		Nine Months Ended November 30,	
	2023	2022	2023	2022
Cash payments for interest and income taxes:				
Interest expense paid	$ 2,503	$ 2,408	$ 2,633	$ 2,505

Income tax paid, net of refunds	$ (1)	$ 75	$ (1)	$ 96
Non-cash investing activities:				
Accrued liability for capital expenditures	$ 490	$ -	$ 96	$ -

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NOTE 12 13 - SEGMENT INFORMATION AND GEOGRAPHIC DATA

We operate under two reportable segments: Software & Subscription Services and Telematics Products. Our organizational structure is based on a number of factors that our CEO, the Chief Operating Decision Maker ("CODM"), uses to evaluate and operate the business, which include customer base, homogeneity of products, and technology.

Our Software & Subscription Services segment offers telematics devices bundled with cloud-based, application enablement and telematics service platforms that facilitate integration of our own applications, as well as those of third parties, through open Application Programing Interfaces ("APIs") to deliver full-featured Internet of Things ("IoT") solutions to a wide range of customers and markets. Our scalable proprietary SaaS offerings enable rapid and cost-effective deployment of high-value solutions for customers all around the globe. Software & Subscription Services segment revenues include SaaS, professional services, devices sold with monitoring services and amortization of revenues and costs for customized devices functional only with application subscriptions that are not sold separately.

Our Telematics Products segment offers a portfolio of wireless data communications products, which includes asset tracking units, mobile telematics devices, fixed and mobile wireless gateways and routers. These wireless networking devices underpin a wide range of our own and third party software and service solutions worldwide and are critical for applications demanding secure, reliable and business-critical communications. Telematics Products segment revenues consist primarily of distinct product sales.

Segment information is as follows (in thousands):

Three Months Ended August 31, 2023				Three Months Ended August 31, 2022				Three Months Ended November 30, 2023				Three Months Ended November 30, 2022			
Reportable Segments				Reportable Segments				Reportable Segments				Reportable Segments			
Software & Subscription Services	**Telematics Products**	**Corporate Expenses**	**Total**	**Software & Subscription Services**	**Telematics Products**	**Corporate Expenses**	**Total**	**Software & Subscription Services**	**Telematics Products**	**Corporate Expenses**	**Total**	**Software & Subscription Services**	**Telematics Products**	**Corporate Expenses**	**Total**

	Six Months Ended August 31, 2023				Six Months Ended August 31, 2022				Nine Months Ended November 30, 2023				Nine Months Ended November 30, 2022			
Revenues	$ 40,358	$ 21,356		$ 61,714	$ 44,511	$ 28,317		$ 72,828	$ 34,456	$ 19,169		$ 53,625	$ 49,264	$ 29,625		$ 78,889
Gross profit	$ 17,667	$ 4,677		$ 22,344	$ 20,865	$ 8,147		$ 29,012	$ 13,778	$ 3,796		$ 17,574	$ 20,880	$ 5,734		$ 26,614
Gross margin	44 %	22 %		36 %	47 %	29 %		40 %	40 %	20 %		33 %	42 %	19 %		34 %
Adjusted EBITDA	$ 7,615	$ (466)	$ (1,275)	$ 5,874	$ 6,623	$ (1,244)	$ (613)	$ 4,766	$ 3,139	$ (1,271)	$ (837)	$ 1,031	$ 8,110	$ (2,671)	$ (741)	$ 4,698

	Reportable Segments				Reportable Segments				Reportable Segments				Reportable Segments			
	Software & Subscription Services	Telematics Products	Corporate Expenses	Total	Software & Subscription Services	Telematics Products	Corporate Expenses	Total	Software & Subscription Services	Telematics Products	Corporate Expenses	Total	Software & Subscription Services	Telematics Products	Corporate Expenses	Total
Revenues	$ 85,310	$ 47,295		$ 132,605	$ 84,068	$ 53,486		$ 137,554	$ 119,766	$ 66,464		$ 186,230	$ 133,332	$ 83,111		$ 216,443
Gross profit	$ 37,739	$ 11,666		$ 49,405	$ 38,923	$ 15,736		$ 54,659	$ 51,517	$ 15,462		$ 66,979	$ 59,803	$ 21,470		$ 81,273
Gross margin	44 %	25 %		37 %	46 %	29 %		40 %	43 %	23 %		36 %	45 %	26 %		38 %

Adjusted EBITDA	$13,929	$(152)	$(1,858)	$11,919	$10,578	$(1,991)	$(1,965)	$6,622	$ 17,068	$ (1,423)	$ (2,695)	$ 12,950	$ 18,688	$ (4,662)	$ (2,706)	$ 11,320

The amount shown for each period in the “Corporate Expenses” column above consists of expenses that are not allocated to the business segments. These non-allocated corporate expenses include salaries and benefits of certain corporate staff and expenses such as audit fees, investor relations, stock listing fees, director and officer liability insurance, and director fees and expenses.

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Our CODM evaluates each segment based primarily on revenue and Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), and we therefore consider Adjusted EBITDA to be a primary measure of operating performance of our reportable segments. We define Adjusted EBITDA as earnings before investment income, interest expense, taxes, depreciation, amortization, stock-based compensation, impairment loss and other adjustments as identified below. The adjustments to our net income (losses) prepared in accordance with GAAP to calculate Adjusted EBITDA are itemized below (in thousands):

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Net loss	$ (4,225)	$ (7,494)	$ (8,257)	$ (19,667)	$ (85,004)	$ (4,733)	$ (93,261)	$ (24,400)
Investment income (loss)	(277)	58	(484)	172	124	(818)	(360)	(646)
Interest expense	1,574	1,464	3,252	2,997	1,410	1,648	4,662	4,645
Income tax provision	435	126	487	375	38	268	525	643
Depreciation	4,467	4,059	8,795	8,215	3,837	3,893	12,632	12,108
Amortization of intangible assets	1,128	1,330	2,350	2,672	1,116	1,323	3,466	3,995
Stock-based compensation	1,724	3,196	3,902	6,156	1,567	2,030	5,469	8,186
Restructuring charges					1,718	—	1,718	—

Non-recurring legal expenses	14	1,417	189	4,548	91	86	280	4,634
Costs (income) incurred in transition of LoJack North America business to acquiror	(276)	233	(240)	985	(79)	232	(319)	1,217
Impairment loss					75,106	—	75,106	—
Other	1,310	377	1,925	169	1,107	769	3,032	938
Adjusted EBITDA	$ 5,874	$ 4,766	$ 11,919	$ 6,622	$ 1,031	$ 4,698	$ 12,950	$ 11,320

Our CODM does not obtain identifiable assets by segment because our businesses share resources, functions and facilities. We do not have significant long-lived assets outside the United States.

Revenues by geographic area are as follows (in thousands):

	Three Months Ended August 31,		Six Months Ended August 31,		Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
United States	$ 32,585	$ 46,240	$ 71,987	$ 86,642	$ 29,201	$ 50,387	$ 101,187	$ 137,029
EMEA	13,847	12,275	30,850	24,814	14,224	14,919	45,073	39,733
LATAM	5,252	8,189	12,350	14,166	3,869	9,011	16,219	23,177
APAC	7,642	5,590	13,798	10,809	4,821	2,794	18,620	13,603
All other	2,388	534	3,620	1,123	1,510	1,778	5,131	2,901
	$ 61,714	$ 72,828	$ 132,605	$ 137,554	$ 53,625	$ 78,889	$ 186,230	$ 216,443

Revenues by geographic area are based upon the country of billing. The geographic location of distributors and OEM customers may be different from the geographic location of the ultimate end users of the products and services provided by us. Italy was the only single non-U.S. country that accounted for more than 10% of our revenue in the three and six nine months ended August 31, 2023 November 30, 2023 and 2022.

NOTE 13 14 – LEGAL PROCEEDINGS

Omega patent infringement claim

The parties commenced a mediation on April 12, 2022, and on May 17, 2022, CalAmp and Omega Patents LLC executed an agreement for a settlement and release and a covenant not to sue under certain patents. On June 1, 2022, we paid $4.9 million pursuant to this settlement agreement. The parties filed a Joint Stipulation of Dismissal With Prejudice on June 15, 2022, and on June 16, 2022, the court dismissed the case with prejudice.

Philips patent infringement claim

On December 17, 2020, Koninklijke Philips N.V. ("Philips") filed four separate legal actions against us, and several other companies, accusing the companies of infringing Philips's 3G and 4G wireless standard-essential patents: (1) first, in the U.S. District Court, District of Delaware, Philips v. Quectel Wireless Solutions Co. Ltd. ("Quectel"), CalAmp, Xirgo Technologies, LLC ("Xirgo"), and Laird Connectivity, Inc. ("Laird"), Philips alleges that our location monitoring units infringe certain claims of U.S. Patent No. 7,831,271 ("the '271 patent"), U.S. Patent No. 8,199,711 ("the '711 patent"), U.S. Patent No.

7,554,943 (“the ’943 patent”), and U.S. Patent No. 7,944,935 (“the ’935 patent”) (all four patents collectively, the “Patents”); (2) second, in the U.S. District Court, District of Delaware, Philips v. Telit Wireless Solutions, Inc., Telit Communications Plc, (collectively, “Telit”), and CalAmp, Philips alleges that our location monitoring units and certain modules therein infringe certain claims of the Patents; (3) third, in the U.S. District Court, District of Delaware, Philips v. Thales DIS AIS USA LLC (F/K/A Gemalto IoT LLC “Gemalto”) F/K/A Cinterion Wireless Modules NAFTA LLC (“Cinterion”), Thales DIS AIS Deutschland GmbH (F/K/A Gemalto M2M

GmbH), Thales USA, Inc., Thales S.A., (collectively, “Thales”), CalAmp, Xirgo, and Laird, Philips alleges that our location monitoring units infringe certain claims of the Patents, and (4) fourth, before The International Trade Commission (“ITC”), Philips v. Quectel, CalAmp, Xirgo,

Laird, Thales, Gemalto, Cinterion, and Telit, Philips alleges violations of section 337 of the U.S. Tariff Act based upon our importation into the United States, the sale for importation, and the sale within the United States after importation of certain UMTS (Universal Mobile Telecommunications System) and LTE (Long Term Evolution) cellular communication modules and products containing the same by reason of our location monitoring units that allegedly infringe on certain claims of the Patents.

On April 1, 2022, the administrative law judge (“ALJ”) at the ITC issued a Final Initial Determination on the question of violation of section 337 (19 U.S.C. § 1337). The ALJ determined that a violation of section 337 had not occurred with respect to any of the asserted patents. On July 6, 2022, the ITC affirmed the Final Initial Determination of no violation of Section 337 and terminated the investigation and the deadline for any appeal has passed.

While the district court case against Thales was recently reopened to set a status conference, the district court cases against Quectel and Telit are currently stayed. Considering the ITC’s determination of no infringement of any of the four patents asserted we believe that we have strong defenses in the Delaware district court cases. Also, we believe we have strong indemnification claims against our communication module suppliers, and are entitled to have our defense costs and any losses resulting from these proceedings paid by those suppliers, who are co-defendants in these proceedings. Currently, it is not feasible to predict with certainty the outcome of the three district court cases, and no specific amount of damages has been identified. Additionally, we believe the ultimate resolution of the proceedings, including indemnification and defense by our module suppliers, will not have a material adverse effect on our consolidated results of operations, financial condition, or cash flows.

Other matters

In addition to the foregoing matters, from time to time as a normal consequence of doing business, various claims and litigation may be asserted or commenced against us. In particular, we may receive claims concerning contract performance or claims that our products or services infringe the intellectual property of third parties which are in the ordinary course of business. While the outcome of any such claims or litigation cannot be predicted with certainty, management does not believe that the outcome of such matters existing at the present time would have a material adverse effect on our condensed consolidated results of operations, financial condition or cash flows.

NOTE 15 – SUBSEQUENT EVENTS

Term Loan

On December 15, 2023, the Company and two of its domestic subsidiaries, CalAmp Wireless Networks Corporation and Synovia Solutions LLC (together with the Company, the “Borrowers”), entered into a Credit Agreement (the “Credit Agreement”) with Lynrock Lake Master Fund LP (“Lynrock” or “Lender”) under which the Borrowers have borrowed $45 million. Amounts owing under the Credit Agreement are guaranteed by the Borrowers and certain existing and future subsidiaries of the Company, and will be secured by first priority security interests in substantially all of the assets of the Borrowers and certain other subsidiaries of the Company. Amounts owing under the Credit Agreement bear interest at an annual rate equal to the secured overnight financing rate as defined in the Credit Agreement plus 6.75%. The Credit Agreement has a maturity date of December 15, 2027. The proceeds of the Term Loan will be used for general corporate purposes.

The Credit Agreement does not contain any financial covenants, but does contain customary affirmative covenants, including financial statement reporting requirements, and customary negative covenants that limit the ability of the Company and its subsidiaries to, among other things, pay dividends, incur debt, create liens and encumbrances, or acquire, merge or consolidate with or into another person or entity.

The Credit Agreement also contains customary events of default, such as the failure to pay obligations when due, initiation of bankruptcy or insolvency proceedings, defaults on certain other indebtedness (including the 2025 Convertible Notes), change of control or breach of representations and warranties or covenants. Upon an event of default, the Lender may require the immediate payment of all amounts outstanding and foreclose on collateral.

In connection with the Credit Agreement, Lynrock was also granted board observation rights.

Supplemental Indenture

Lynrock is also the holder of nearly all of the outstanding principal amount of the Company's 2025 Convertible Notes. In connection with the execution of the Credit Agreement, the Company also entered into a Supplemental Indenture (the "Supplemental Indenture") to the Indenture, dated June 20, 2018, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee. Pursuant to the Supplemental Indenture, the Company and the Borrowers granted a first priority security interest in substantially all of the assets of the Borrowers and certain other subsidiaries of the Company in favor of the holders of the 2025 Convertible Notes. The 2025 Convertible Notes will rank pari passu, or equal in right of payment, with the Term Loan.

Revolving Credit Facility Termination

On December 15, 2023, the Company paid off the remaining liabilities under the asset-based senior secured revolving credit facility with PNC Bank and terminated the facility.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). GAAP. The preparation of these financial statements requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, costs and expenses during the reporting periods. Actual results could differ materially from these estimates. The critical accounting policies listed below involve our more significant accounting judgments and estimates that are used in the preparation of the consolidated financial statements. These policies are described in greater detail in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") under Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended February 28, 2023, as filed with the U.S. Securities and Exchange Commission (the "SEC") SEC on April 28, 2023, and include the following areas:

- Revenue recognition;
- Patent litigation and other contingencies;
- Goodwill and long-lived assets; and
- Deferred income tax assets and uncertain tax positions.

OUR COMPANY

We are a connected intelligence company that leverages a data-driven solutions ecosystem to help people and organizations improve operational performance. We solve complex problems for customers within the market verticals of transportation and logistics, commercial and government fleets, industrial equipment, government and consumer vehicles by providing solutions that track, monitor and recover their vital assets. The data and insights enabled by CalAmp solutions provide real-time visibility into a user's vehicles, assets, drivers, and cargo, giving organizations greater understanding and control of their operations. Ultimately, these insights drive operational visibility, safety, efficiency, maintenance, and sustainability for organizations around the world. Headquartered in Irvine, California, we have an installed base of approximately ten million devices reporting to our cloud-based platform and approximately 1.6 million software and subscription services subscribers worldwide.

Reportable Segments

We operate under two reportable segments: Software & Subscription Services and Telematics Products.

Software & Subscription Services

Our Software & Subscription Services segment offers solutions comprised of telematics devices bundled with cloud-based application enablement and telematics service platforms that facilitate integration of our own applications, as well as those of third parties, through open APIs to deliver full-featured mobile IoT solutions to a wide range of customers and markets. Our scalable proprietary applications and other subscription services enable rapid and cost-effective development of high-value solutions for customers all around the globe. Services include tracking and monitoring within Fleet Management as well as Supply Chain Integrity and International Vehicle Recovery.

Telematics Products

Our Telematics Products segment offers a series of advanced telematics products for the broader connected vehicle and emerging industrial IoT marketplace, which enable customers to optimize their operations by collecting, monitoring and effectively reporting business-critical information and desired intelligence from high-value remote and mobile assets. Our telematics products include asset tracking units, mobile telematics devices, fixed and mobile wireless gateways, and routers. These wireless networking devices underpin a wide range of solutions, and are ideal for applications demanding secure, reliable and business-critical communications. Telematics Products include OEM and MRM products.

Adjusted EBITDA

In addition to our GAAP results, we present Adjusted EBITDA as a supplemental non-GAAP measure of our performance. Our CEO, the CODM, uses Adjusted EBITDA to evaluate and monitor segment performance. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance that excludes or includes amounts to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of comprehensive income (loss), balance sheets or statements of cash flows. We define Adjusted EBITDA as earnings before investment income, interest expenses, taxes, depreciation, amortization, stock-based compensation, acquisition and integration expenses, non-cash costs and expenses arising from purchase accounting adjustments, litigation provisions, gain from legal settlement, impairment losses and certain other adjustments. We believe this non-GAAP financial information provides additional insight into our ongoing performance and have therefore chosen to provide this information to investors for a more consistent basis of comparison to help investors evaluate our results of ongoing operations and enable more meaningful period-to-period comparisons. Pursuant to the rules and regulations of the SEC regarding the use of non-GAAP financial measures, we have provided a reconciliation of non-GAAP financial measures to the most directly comparable financial measure. See Note 12, 13, *Segment Information and Geographic Data*, to the accompanying condensed consolidated financial statements for additional information related to Adjusted EBITDA by reportable segment and reconciliation to net loss.

Recent Developments

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Notice from Nasdaq on Failure to Satisfy a Continued Listing Rule

On August 22, 2023, we received a deficiency letter (the "Notice") from the Nasdaq Stock Market LLC ("Nasdaq") notifying us that, based upon the closing bid price of our Common Stock for the last 30 consecutive business days, we are not currently in compliance with the requirement to maintain a minimum bid price of $1.00 per share for continued listing on Nasdaq, as set forth in Nasdaq Listing Rule 5450(a)(1) (the "Minimum Bid Requirement").

The Notice has no immediate impact on the listing of our Common Stock on Nasdaq, and our listing remains fully effective.

We are provided a compliance period of 180 calendar days from the date of the Notice, or until February 20, 2024, to regain compliance with Nasdaq Listing Rule 5450(a)(1). If at any time before February 20, 2024, the closing bid price of our Common Stock closes at or above $1.00 per share for a minimum of 10 consecutive business days, subject to Nasdaq's discretion to extend this period pursuant to Nasdaq Listing Rule 5810(c)(3)(H), Nasdaq will provide written notification that we have achieved compliance with the Minimum Bid Requirement, and the matter would be resolved.

If we do not regain compliance with the Minimum Bid Requirement during the initial 180 calendar day period, we may be eligible for an additional 180 calendar day compliance period. To qualify, we would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the Minimum Bid Requirement, and would need to provide written notice of its intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary.

We will continue to monitor the closing bid price of our Common Stock and seek to regain compliance with all applicable Nasdaq requirements within the allotted compliance periods. If we do not regain compliance within the allotted compliance periods, including any extensions that may be granted by

Nasdaq, Nasdaq will provide notice that our Common Stock will be subject to delisting. We would then be entitled to appeal that determination to a Nasdaq hearings panel.

We intend to actively monitor the closing bid price of our Common Stock and will evaluate available options to regain compliance with the Minimum Bid Requirement. However, there can be no assurance that we will regain compliance with the Minimum Bid Requirement during the 180-day compliance period, secure a second period of 180 days to regain compliance or maintain compliance with the other Nasdaq listing requirements.

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On August 28, 2023, we issued a press release announcing that Jeff Gardner, our President and Chief Executive Officer, passed away unexpectedly on Sunday August 27th due to presumed natural causes.

Jason Cohenour, Director on our Board of Directors (the “Board”), was named Interim Chief Executive Officer by the Board, effective immediately.

On September 8, 2023, the Board approved a compensation package for Mr. Cohenour (the "Compensation Package"). Pursuant to the Compensation Package, Mr. Cohenour will be paid a monthly stipend of $13,000. Additionally, the Board approved a grant of 180,000 restricted stock units (“RSUs”) to Mr. Cohenour, which will vest on the first anniversary of the grant date in an amount equal to (i) 30,000 shares, multiplied by (ii) the number of full months Mr. Cohenour serves as Interim Chief Executive Officer. Mr. Cohenour will continue to receive compensation for his services as a member of the Board while he serves as Interim Chief Executive Officer.

OPERATING RESULTS

Three months ended August 31, 2023 November 30, 2023 compared to three months ended August 31, 2022 November 30, 2022:

Revenue by Segment

	Three Months Ended August 31,						Three Months Ended November 30,					
	2023		2022				2023		2022			
(In thousands)	$	% of Revenue	$	% of Revenue	$ Change	% Change	$	% of Revenue	$	% of Revenue	$ Change	% Change
Segment												
Software & Subscription Services	$ 40,358	65.4%	$ 44,511	61.1%	$ (4,153)	(9.3%)	$ 34,456	64.3%	$ 49,264	62.4%	$ (14,808)	(30.1%)

	$	% of Revenue	$	% of Revenue	$ Change	% Change	$	% of Revenue	$	% of Revenue	$ Change	% Change
Telematics Products	21,356	34.6%	28,317	38.9%	(6,961)	(24.6%)	19,169	35.7%	29,625	37.6%	(10,456)	(35.3%)
Total	$ 61,714	100.0%	$ 72,828	100.0%	$ (11,114)	(15.3%)	$ 53,625	100.0%	$ 78,889	100.0%	$ (25,264)	(32.0%)

Our Software & Subscription Services enable customers to gather and analyze critical data used to track, monitor and recover vital mobile assets with real-time visibility and insights. Our services focus on three principal end markets: (i) transportation and logistics, (ii) government and municipalities, and (iii) connected car services. Throughout fiscal 2023 we transitioned a substantial majority of the customers that historically purchased MRM telematics products from us into subscription-based arrangements, a shift that favorably impacted revenues in our Software & Subscription Services segment and unfavorably impacted revenues in our Telematics Products segment.

As of August 31, 2023 November 30, 2023, our remaining contractual performance obligations were $194.2 million $186.0 million compared to $210.3 million $252.2 million as of August 31, 2022 November 30, 2022. The decline in contractual performance obligations was primarily driven by the completion of obligations as conversions of telematics products customers to multi-year subscriptions contracts peaked during the prior year and is substantially complete in the current year.

Software & Subscription Services revenue decreased by $4.2 million $14.8 million or (9.3%) (30.1%) for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year largely due to a decline in new product shipments to our converted MRM and Fleet Management customers, partially offset by an increase in revenues generated by our International Vehicle Recovery business.

Telematics Products revenue, comprised primarily of MRM telematics and OEM/network products, decreased by $7.0 million $10.5 million or 24.6% 35.3% for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year. This decrease was driven by the conversion of certain telematics hardware customers onto multi-year subscription contracts. The revenues generated by those conversions, after the contract effective dates, are classified within Software & Subscription Services revenues to the extent they are associated with a subscription arrangement. The decrease was offset by higher remaining non-converted customers had slightly lower flat telematics products shipments of telematics hardware relative compared to the same period last year.

Gross Profit by Segment

	Three Months Ended August 31,						**Three Months Ended November 30,**					
	2023		**2022**				**2023**		**2022**			
(In thousands)	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**
Segment												

Software & Subscription Services	$ 17,667	43.8%	$ 20,865	46.9%	$ (3,198)	(15.3%)	$ 13,778	40.0%	$ 20,880	42.4%	$ (7,102)	(34.0%)
Telematics Products	4,677	21.9%	8,147	28.8%	(3,470)	(42.6%)	3,796	19.8%	5,734	19.4%	(1,938)	(33.8%)
Gross profit	$ 22,344	36.2%	$ 29,012	39.8%	$ (6,668)	(23.0%)	$ 17,574	32.8%	$ 26,614	33.7%	$ (9,040)	(34.0%)

Consolidated gross profit decreased by $6.7 million $9.0 million or 23.0% 34.0% for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year largely due to decreased revenues and gross margin. revenues. Consolidated gross margins decreased by 360 90 basis points for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year primarily due to lower gross margins product mix in both Telematics Products and Software & Subscription Services as well as higher proportion of industrial products an increase in the revenue mix.

excess and obsolescence reserve across both segments.

Software & Subscription Services: Gross profit decreased by $3.2 million $7.1 million or (15.3% (34.0%) for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year due to decreased revenues and gross margins. Gross margin decreased by 310 240 basis points primarily due to subscription mix and higher product costs.

Telematics Products: Gross profit decreased by $3.5 million $1.9 million or 42.6% 33.8% for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year primarily due to lower volume and gross margins, which were primarily driven by product mix.

As described above, throughout fiscal 2023 we experienced adverse impacts to revenues as a result of global supply shortages. These supply shortages have led to significant cost increases on many of the components used in our devices as well as the cost of production. Although we are beginning to experience improvements in supply and production availability, cost inflation has continued. As a result, in the coming quarters we may experience lower gross margins if we are unable to effectively offset the impacts of these cost increases. volume.

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Operating Expenses

Three Months Ended August 31,		Three Months Ended November 30,	
2023	**2022**	**2023**	**2022**

(In thousands)	$	% of Revenue	$	% of Revenue	$ Change	% Change	$	% of Revenue	$	% of Revenue	$ Change	% Change
Research and development	$ 4,800	7.8%	$ 6,757	9.3%	$ (1,957)	(29.0%)	$ 4,051	7.6%	$ 5,479	6.9%	$ (1,428)	(26.1%)
Selling and marketing	9,618	15.6%	12,734	17.5%	(3,116)	(24.5%)	8,884	16.6%	12,486	15.8%	(3,602)	(28.8%)
General and administrative	10,014	16.2%	13,530	18.6%	(3,516)	(26.0%)	10,114	18.9%	11,172	14.2%	(1,058)	(9.5%)
Intangible asset amortization	1,128	1.8%	1,330	1.8%	(202)	(15.2%)	1,116	2.1%	1,323	1.7%	(207)	(15.6%)
Restructuring							1,718	3.2%	-	0.0%	1,718	100.0%
Impairment loss							75,106	140.1%	-	0.0%	75,106	100.0%
Total	$ 25,560	41.4%	$ 34,351	47.2%	$ (8,791)	(25.6%)	$ 100,989	188.5%	$ 30,460	38.6%	$ 70,529	231.5%

Consolidated research and development expense decreased by $2.0 million $1.4 million or 29.0% 26.1% for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year due to a reduction in research and development initiatives following restructuring activities at the end of fiscal 2023.

Consolidated selling and marketing expense decreased by $3.1 million $3.6 million or 24.5% 28.8% for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year primarily due to restructuring activities at the end of fiscal 2023 and lower incentive compensation attainment.

Consolidated general and administrative expenses decreased by $3.5 million $1.1 million or 26.0% 9.5% for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year, primarily driven by restructuring activities at the end of fiscal 2023, and lower stock-based compensation.

Amortization of intangibles decreased slightly for the three months ended August 31, 2023 November 30, 2023 compared to the same period last year.

Consolidated restructuring increased by $1.7 million due to restructuring activities during the third quarter of fiscal 2024. The restructuring provided for a reduction of our workforce and the exiting of a leased facility, resulting in charges of $1.4 million related to severance and $0.3 million related to the write-off of leasehold improvements due to subleasing a facility.

Impairment loss was driven by Goodwill impairment, as well as a $0.7 million impairment of internally developed software. See Note 1, *Description of Business, Basis of Presentation and Summary of Significant Accounting Policies*, for additional information.

Non-operating Income (Expense)

Investment (loss) income (loss) increased decreased to $0.3 million for the three months ended August 31, 2023 from ($0.1) million for the three months ended August 31, 2022 November 30, 2023 from $0.8 million for the three months ended November 30, 2022. The increase decrease was primarily driven by higher lower investment returns on invested funds.

Interest expense increased decreased to $1.4 million for the three months ended November 30, 2023 from $1.6 million for the three months ended August 31, 2023 from $1.5 million for the three months ended August 31, 2022 November 30, 2022 due to additional lower interest expense related to the revolving credit facility. historically assigned customer obligations.

Other non-operating income was $0.7 million $0.0 million for the three months ended August 31, 2023 November 30, 2023 as compared to non-operating expense of $0.5 million $0.2 million for the three months ended August 31, 2022 November 30, 2022

Overall Profitability Measures

Net Loss:

GAAP-basis net loss for the three months ended August 31, 2023 November 30, 2023 was $4.2 million $85.0 million compared to a net loss of $7.5 million $4.7 million in the three months ended August 31, 2022 November 30, 2022. The change in the net loss was largely driven by goodwill impairment, restructuring charges, and lower operating and non-operating expenses gross profits in the current year period.

Adjusted EBITDA:

	Three Months Ended August 31,				Three Months Ended November 30,			
(In thousands)	**2023**	**2022**	**$ Change**	**% Change**	**2023**	**2022**	**$ Change**	**% Change**
Segment								
Software & Subscription Services	$ 7,615	$ 6,623	$ 992	15.0 %	$ 3,139	$ 8,110	$ (4,971)	(61.3 %)
Telematics Products	(466)	(1,244)	778	(62.5 %)	(1,271)	(2,671)	1,400	(52.4 %)
Corporate Expenses	(1,275)	(613)	(662)	(108.0 %)	(837)	(741)	(96)	(13.0 %)
Total Adjusted EBITDA	$ 5,874	$ 4,766	$ 1,108	23.2 %	$ 1,031	$ 4,698	$ (3,667)	(78.1 %)

Adjusted EBITDA for Software & Subscription Services increased $1.0 million decreased $5.0 million compared to the same period last year primarily due to decreased operating expenses offset by lower revenues and lower gross margins. margins partially offset by decreased operating expenses. Adjusted EBITDA for Telematics Products increased $0.8 million $1.4 million compared to the same period last year as a result of decreased operating expenses partially offset by lower gross profits in the current year period. Corporate Expenses increased by $0.7 million $0.1 million compared to the same period last year primarily due to timing of operating expenses.

During the fourth quarter of the previous fiscal year and the third quarter of the current year, the Company implemented cost savings and cost efficiency measures which are expected to continue to favorably impact Adjusted EBITDA results.

See Note 12, 13, *Segment Information and Geographic Data*, to the accompanying condensed consolidated financial statements for information related to Adjusted EBITDA by reportable segment and a reconciliation to GAAP-basis net loss.

Income Tax Provision

We evaluate our estimated annual effective tax rate ("ETR") on a quarterly basis based on current and forecasted operating results. The relationship between our income tax provision or benefit and our pretax book income or loss can vary significantly from period to period considering, among other factors, the overall level of pretax book income or loss and changes in the blend of jurisdictional income or loss that is taxed at different rates and changes in valuation allowances. Consequently, our ETR may fluctuate significantly from period to period and may make quarterly comparisons less meaningful.

The income tax expense of $0.4 million $0.0 million was primarily attributable to one of our foreign subsidiaries. subsidiaries, partially offset by a $0.2 million decrease in valuation allowances against net deferred tax assets. Any income tax benefit associated with the pre-tax loss for the three months ended August 31, 2023 November 30, 2023, resulting primarily from the U.S. jurisdiction, is offset by a full valuation allowance.

Six Nine months ended August 31, 2023 November 30, 2023 compared to six nine months ended August 31, 2022 November 30, 2022:

Revenue by Segment

	Six Months Ended August 31,						Nine Months Ended November 30,					
	2023		2022				2023		2022			
(In thousands)	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**
Segment												
Software & Subscription Services	$ 85,310	64.3%	$ 84,068	61.1%	$ 1,242	1.5%	$ 119,766	64.3%	$ 133,332	61.6%	$ (13,566)	(10.2%)

Telematics Products	47,295	35.7%	53,486	38.9%	(6,191)	(11.6%)	66,464	35.7%	83,111	38.4%	(16,647)	(20.0%)
Total	$ 132,605	100.0%	$ 137,554	100.0%	$ (4,949)	(3.6%)	$ 186,230	100.0%	$ 216,443	100.0%	$ (30,213)	(14.0%)

Software & Subscription Services revenue increaseddecreased by $1.2 million$13.6 million or 1.5%(10.2%) for the sixnine months ended August 31, 2023November 30, 2023 compared to the same period last year largely due to increased transportation and logistics revenues generated throughlower shipments of products to the transition of MRM telematics products customers that transitioned onto multi-year subscription arrangements, which commenced in the third quarter of fiscal 2022. Such customer transitions contributed $25.6 million to Software & Subscription Services revenues during2022 and was complete by the six months ended August 31, 2023 compared to $22.2 million during the six months ended August 31, 2022. Active subscribers increased by 35% in the six months ended August 31, 2023 when compared to the prior year period.fourth quarter of fiscal 2023.

Telematics Products revenue, comprised primarily of MRM telematics and OEM/network products, decreased by $6.2 million$16.6 million or (11.6%(20.0%) for the sixnine months ended August 31, 2023November 30, 2023 compared to the same period last year. This decrease was largely driven by the conversion of certain MRM telematics hardware customers onto multi-year subscription contracts, and thus revenues generated after the contract effective dates for these customers are classified within Software & Subscription Services revenues to the extent they are associated with a subscription arrangement. The remaining non-converted customers had relatively flat telematics products shipments compared to the same period last year.

Gross Profit by Segment

	Six Months Ended August 31,						Nine Months Ended November 30,					
	2023		2022				2023		2022			
(In thousands)	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**
Segment												
Software & Subscription Services	$ 37,739	44.2%	$ 38,923	46.3%	$ (1,184)	(3.0%)	$ 51,517	43.0%	$ 59,803	44.9%	$ (8,286)	(13.9%)

Telematics Products	11,666	24.7%	15,736	29.4%	(4,070)	(25.9%)	15,462	23.3%	21,470	25.8%	(6,008)	(28.0%)
Gross profit	$ 49,405	37.3%	$ 54,659	39.7%	$ (5,254)	(9.6%)	$ 66,979	36.0%	$ 81,273	37.5%	$ (14,294)	(17.6%)

Consolidated gross profit decreased by $5.3 million$14.3 million or 9.6%17.6% for the sixnine months ended August 31, 2023November 30, 2023 compared to the same period last year largely due to decreased revenues. Consolidated gross margins decreased by 240150 basis points for the sixnine months ended August 31, 2023November 30, 2023 compared to the same period last year primarily due to lower gross marginsproduct mix in both Telematics Products and Software & Subscription Services, as well as higher proportion of industrial productsan increase in the revenue mix.excess and obsolescence reserve across both segments.

Software & Subscription Services: Gross profit decreased by $1.2 million$8.3 million or 3.0%13.9% for the sixnine months ended August 31, 2023November 30, 2023 compared to the same period last year primarily due to decreased revenues. Gross margin decreased by 210190 basis points primarily due to subscription mix.mix and the impact of fixed costs on lower volumes.

Telematics Products: Gross profit decreased by $4.1 million$6.0 million or 25.9%28.0% for the sixnine months ended August 31, 2023November 30, 2023 compared to the same period last year due to lower revenues and lower gross margins, which were primarily driven by product mix.

As described above, throughout fiscal 2023 we experienced adverse impacts to revenues as a result of global supply shortages. These supply shortages have led to significant cost increases on many of the components used in our devices as well as the cost of production. Although we are beginning to experience improvements in supply and production availability, cost inflation has continued. As a result, in the coming quarters we may experience lower gross margins if we are unable to effectively offset the impacts of these cost increases.

Operating Expenses

	Six Months Ended August 31,						Nine Months Ended November 30,					
	2023		2022				2023		2022			
(In thousands)	$	% of Revenue	$	% of Revenue	$ Change	% Change	$	% of Revenue	$	% of Revenue	$ Change	% Change
Research and development	$ 10,642	8.0%	$ 13,757	10.0%	$ (3,115)	(22.6%)	$ 14,693	7.9%	$ 19,236	8.9%	$ (4,543)	(23.6%)

Selling and marketing	20,641	15.6%	24,212	17.6%	(3,571)	(14.7%)	29,525	15.9%	36,698	17.0%	(7,173)	(19.5%)
General and administrative	21,368	16.1%	28,692	20.9%	(7,324)	(25.5%)	31,482	16.9%	39,864	18.4%	(8,382)	(21.0%)
Intangible asset amortization	2,350	1.8%	2,672	1.9%	(322)	(12.1%)	3,466	1.9%	3,995	1.8%	(529)	(13.2%)
Restructuring							1,718	0.9%	-	0.0%	1,718	100.0%
Impairment loss							75,106	40.3%	-	0.0%	75,106	100.0%
Total	$ 55,001	41.5%	$ 69,333	50.4%	$ (14,332)	(20.7%)	$ 155,990	83.8%	$ 99,793	46.1%	$ 56,197	56.3%

Consolidated research and development expense decreased by $3.1 million $4.5 million or 22.6% 23.6% for the six nine months ended August 31, 2023 November 30, 2023 compared to the same period last year due to a reduction in research and development activities following restructuring activities at the end of fiscal 2023.

Consolidated selling and marketing expense decreased by $3.6 million $7.2 million or 14.7% 19.5% for the six nine months ended August 31, 2023 November 30, 2023 compared to the same period last year primarily due to restructuring activities at the end of fiscal 2023 and lower incentive compensation attainment.

Consolidated general and administrative expenses decreased by $7.3 million $8.4 million or 25.5% 21.0% for the six nine months ended August 31, 2023 November 30, 2023 compared to the same period last year, driven by decreased legal expenses, restructuring activities at the end of fiscal 2023, and lower stock-based compensation.

Amortization of intangibles decreased slightly for the six nine months ended August 31, 2023 November 30, 2023 compared to the same period last year.

Consolidated restructuring increased by $1.7 million due to restructuring activites during the third quarter of fiscal 2024. The restructuring provided for a reduction of our workforce and the exiting of a leased facility, resulting in charges of $1.4 million related to severance and $0.3 million related to the write-off of leasehold improvements due to subleasing a facility.

Impairment loss was driven by Goodwill impairment, as well as a $0.7 million impairment of internally developed software. See Note 1, *Description of Business, Basis of Presentation and Summary of Significant Accounting Policies,* for additional information.

Non-operating Income (Expense)

Investment (loss) income (loss) increased decreased to $0.5 million $0.4 million for the six nine months ended August 31, 2023 November 30, 2023 from ($0.2) million $0.6 million for the six nine months ended August 31, 2022 November 30, 2022. The increase decrease was primarily driven by higher lower investment returns on invested funds.

Interest expense increased to $3.3 million $4.7 million for the six nine months ended August 31, 2023 November 30, 2023 from $3.0 million $4.6 million for the six nine months ended August 31, 2022 November 30, 2022 due to additional interest expense related to the revolving credit facility.

Other non-operating income was $0.6 million for the six nine months ended August 31, 2023 November 30, 2023 as compared to non-operating expense of $1.4 million $1.2 million for the six nine months ended August 31, 2022 November 30, 2022.

Overall Profitability Measures

Net Loss:

GAAP-basis net loss for the six nine months ended August 31, 2023 November 30, 2023 was $8.3 million $93.3 million compared to a net loss of $19.7 million $24.4 million in the six nine months ended August 31, 2022 November 30, 2022. The improvement change in the net loss was largely driven by lower operating goodwill impairment, restructuring charges, and non-operating expenses offset by lower gross profit and profits in the current year period.

Adjusted EBITDA:

(In thousands)	Six Months Ended August 31, 2023	Six Months Ended August 31, 2022	$ Change	% Change	Nine Months Ended November 30, 2023	Nine Months Ended November 30, 2022	$ Change	% Change
Segment								
Software & Subscription Services	$ 13,929	$ 10,578	$ 3,351	31.7%	$ 17,068	$ 18,688	$ (1,620)	(8.7%)
Telematics Products	(152)	(1,991)	1,839	(92.4%)	(1,423)	(4,662)	3,239	(69.5%)
Corporate Expenses	(1,858)	(1,965)	107	5.4%	(2,695)	(2,706)	11	0.4%
Total Adjusted EBITDA	$ 11,919	$ 6,622	$ 5,297	80.0%	$ 12,950	$ 11,320	$ 1,630	14.4%

Adjusted EBITDA for Software & Subscription Services increased $3.4 million decreased $1.6 million compared to the same period last year primarily due to decreased operating expenses lower revenue and gross margins partially offset by lower gross margins. decreased operating expenses. Adjusted EBITDA for Telematics Products increased $1.8 million $3.2 million

compared to the same period last year due to decreased operating expenses. Corporate Expenses decreased by $0.1 million $0.0 million compared to the same period last year.

See Note 12, 13, *Segment Information and Geographic Data*, to the accompanying condensed consolidated financial statements for information related to Adjusted EBITDA by reportable segment and a reconciliation to GAAP-basis net loss.

Income Tax Provision

The income tax expense of $0.5 million was primarily attributable to one of our foreign subsidiaries, partially offset by a $0.3 million decrease in uncertain tax benefits related to certain foreign net operating loss carryforwards. carryforwards and a $0.2 million decrease in valuation allowances against net deferred tax assets. Any income tax benefit associated with the pre-tax loss for the six nine months ended August 31, 2023 November 30, 2023, resulting primarily from the U.S. jurisdiction, is offset by a full valuation allowance.

LIQUIDITY AND CAPITAL RESOURCES

Consistent with fiscal 2023, our primary recurring cash needs have been for working capital purposes and to a lesser extent, capital expenditures. We have historically funded our principal business activities through cash flows generated from operations and cash on hand. As we continue to develop our subscription model, there will be a need for working capital in the future. While our subscription arrangements create recurring multi-year revenue, they elongate the cash conversion cycle as we must outlay cash for the associated device but recover this cash outlay over a subscription period. Our operations have consumed substantial amounts of cash, and we may continue to incur substantial losses and negative cash flow from operations for the foreseeable future. As of August 31, 2023 November 30, 2023, we had $38.6 million $38.2 million of cash and cash equivalents a decrease from February 28, 2023 of $3.3 million $3.7 million. While we expect to continue to finance our operations with cash on hand and cash generated from operations, our future performance is subject to economic, operational, financial, competitive and other factors, including the current inflationary environment, supply chain constraints and the impact of uncertain international trade relations.

Our immediate sources of liquidity are cash and cash equivalents, and our asset-based revolving credit facility. As of August 31, 2023 November 30, 2023, we have $38.6 million $38.2 million of cash and cash equivalents and $32.7 million $28.7 million available under our revolving credit facility, subject to fixed charge coverage ratio and minimum cash and availability tests. We expect to continue to finance our operations with cash on hand and cash generated from operations. See Note 1, *Description of Business, Basis of Presentation and Summary of Significant Accounting Policies*, for additional information on the Company's liquidity. liquidity, and discussion of substantial doubt about the Company's ability to continue as a going concern.

On July 13, 2022, we replaced our revolving credit facility with JP Morgan Chase Bank, N.A. and we entered into a new revolving credit facility with PNC Bank, N.A., that provides for an asset-based senior secured revolving credit facility for borrowings up to an aggregate of $50.0 million, subject to certain conditions, including borrowing base provisions that limit borrowing capacity to 80% of eligible accounts receivable and 50% of eligible inventory. The revolving credit facility will terminate, and all outstanding loans will become due and payable on the earlier of July 13, 2025 and the date that is ninety days prior to the maturity date of our 2025 Convertible notes. Borrowings under our existing credit facility bear interest at either the Bloomberg short-term bank yield rate plus a margin of 2.50% per annum or an alternate base rate plus a margin of 1.50% per annum as selected by us on a periodic basis. As of August 31, 2023 November 30, 2023, there were no borrowings and $4.8 million of outstanding letters of credit under this revolving credit facility. See Note 6, *Financing Arrangements*, for additional information on our revolving credit facility.

As a subsequent event, on December 15, 2023, the Company entered into a credit agreement under which it borrowed $45 million, bearing an interest rate equal to the secured overnight financing rate plus 6.75% with a maturity date of December 15, 2027 (the "Term Loan"). Concurrent with the Term Loan, the Company paid off the remaining liabilities under its asset-based revolving credit facility and terminated that arrangement. The Company further concurrently entered into a supplemental indenture granting a first priority interest in substantially all the Company's assets to the holders of the 2025 Convertible Notes. Defaults under the Term Loan and supplemental indenture to the 2025 Convertible Notes constitute default events under each respective indebtedness. See Note 15, *Subsequent Events*, for additional information.

We are a defendant in various legal proceedings involving intellectual property claims and contract disputes. Regarding the Philips patent infringement claim, the ITC affirmed the Final Initial Determination of the administrative law judge of no violation of Section 337 and terminated the investigation on July 6, 2022 and the deadline for any appeal has passed. The Delaware District Court cases in the Philips matter remain stayed but may be reinstated. In connection with this matter, we may be required to enter into a license agreement or other settlement arrangement that requires us to make a significant payment in the future. While it is not feasible to predict with certainty the outcome of this legal proceeding, based on currently available information, including the ITC's affirmation of no violation of Section 337, we believe that the ultimate resolution of this matter will not have a material adverse effect on our condensed consolidated results of operations, financial condition and cash flows.

See Note 13, 14, *Legal Proceedings*, of the Notes to Unaudited Condensed Consolidated Financial Statements for additional information on legal proceedings.

Future Cash Obligations

During the second third quarter of fiscal 2024, there were no significant changes to our estimates of future payments under our fixed contractual obligations and commitments as presented in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for our fiscal year ended February 28, 2023 as filed with the SEC on April 28, 2023.

Cash flows from operating activities

Cash flows from operating activities consist of net loss adjusted for certain non-cash items, including depreciation, intangible asset amortization, stock-based compensation expense, amortization of discount and debt issue costs, deferred income taxes, amortization of certain revenue assignment arrangements and the effect of changes in components of working capital.

Our cash flow from operating activities are attributable to our net loss as well as how well we manage our working capital, which is dictated by the volume of products we purchase from our manufacturers or suppliers and then sell to our customers along with the payment and collection terms that we negotiate with them. We purchase a majority of our products from significant suppliers located in Asia and Mexico that generally provide us 60-day payment terms for products purchased.

Our significant customers are located in the United States as well as certain foreign countries. We believe that our relationships with our key customers are good and that these customers are in good financial condition. We generally grant credit to our customers based on their financial viability and our historical collections experience with them. We typically require payment from our customers within 30 to 45 days of our invoice date with a few exceptions that extend the credit terms up to 90 days. Historically, since we paid our suppliers at or within 60 days

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of inventory purchase and our payment terms on our accounts receivable are generally within 45 days, we generated positive cash flows from operating activities. However, certain arrangements which allow for subscription payment, generally over three years, have elongated payments terms and consumed working capital.

For the six nine months ended August 31, 2023 November 30, 2023, net cash provided by operating activities was $4.2 million $6.0 million and net loss was $8.3 million $93.3 million. Our non-cash expenses, comprised principally of depreciation, intangible asset amortization, stock-based compensation expense, amortization of debt discount and issuance costs, noncash operating lease costs, impairment losses and changes in deferred income taxes totaled $17.3 million $100.9 million. These non-cash expenses were slightly offset by non-cash revenues of $0.7 million related to acquired revenue assignment arrangements. Changes in operating assets and liabilities used $4.2 million $0.9 million of cash, largely as a result of the decrease in accounts receivable offset by increases in inventories and prepaid and current assets and decreases in accounts payable deferred revenues and other current and non-current liabilities.

For the six nine months ended August 31, 2022 November 30, 2022, net cash used in operating activities was $25.7 million $21.8 million and net loss was $19.7 million $24.4 million. Our non-cash expenses, comprised principally of depreciation, intangible asset amortization, stock-based compensation expense, amortization of debt discount and issue costs, noncash operating lease costs and changes in deferred income taxes totaled $19.5 million $28.0 million. These non-cash expenses were partially offset by non-cash revenues of $1.5 million $2.1 million related to acquired revenue assignment arrangements. Changes in operating assets and liabilities used $23.9 million $23.3 million of cash, primarily largely as a result of the increase in accounts receivable, inventories and prepaid and other current assets, as well as the decrease in deferred revenue. Both the increase in accounts receivable and decrease in deferred revenue were driven by differences in timing of collections under new subscription arrangements such that less cash is collected at contract inception. Operating cash flows were favorably impacted by the timing of payments on accounts payable.

Cash flow from investing activities

For the six nine months ended August 31, 2023 November 30, 2023 and 2022, our net cash used in investing activities was $3.8 million $6.2 million and $4.9 million $9.3 million, respectively. In each of these periods, our primary investing activities consisted of capital expenditures. We expect that we will make additional capital expenditures in the future, including the devices that we lease to customers under subscription agreements in order to support the future growth of our business.

Cash flow from financing activities

For the six nine months ended August 31, 2023 November 30, 2023 and 2022, our net cash used in financing activities was $0.4 million and $1.1 million $1.2 million, respectively, driven primarily by payments for taxes related to the net share settlement of vested equity awards.

FORWARD LOOKING STATEMENTS

Forward looking statements in this Form 10-Q which include, without limitation, statements relating to our plans, strategies, objectives, expectations, intentions, projections and other information regarding future performance, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “may”, “will”, “could”, “plans”, “intends”, “seeks”, “believes”, “anticipates”, “expects”, “estimates”, “judgment”, “goal”, and variations of these words and similar expressions, are intended to identify forward-looking statements. These forward-looking statements reflect our current views with respect to future events and financial performance and are subject to certain risks and uncertainties that are difficult to predict, including, without limitation, the impact of adverse and uncertain economic conditions in the U.S. and international markets, the sufficiency of our cash and cash equivalents to meet our liquidity needs and service our indebtedness, our ability to regain compliance with Nasdaq listing standards and the impact the failure thereof would have on the Company, product demand, competitive pressures and pricing declines in our markets, the timing of customer approvals of new product designs, intellectual

property infringement claims, interruption or failure of our Internet-based systems used to wirelessly configure and communicate with the tracking and monitoring devices that we sell, global component supply shortages due to ongoing supply chain constraints, phased implementation of our ERP system, the effect of tariffs on exports from China and other countries, the ongoing effects of the COVID-19 pandemic (including its effect on the supply of labor), and other risks and uncertainties that are set forth in Part I, Item 1A of the Annual Report on Form 10-K for the fiscal year ended February 28, 2023 as filed with the SEC on April 28, 2023. Such risks and uncertainties could cause actual results to differ materially from historical or anticipated results. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risk

We have international operations, giving rise to exposure to market risks from changes in currency exchange rates. A cumulative foreign currency translation loss of $0.9 million $2.2 million related to our foreign subsidiaries is included in “Accumulated other comprehensive loss” in the Stockholders' Equity section of the condensed consolidated balance sheet at August 31, 2023 November 30, 2023. The aggregate foreign currency transaction exchange rate gains (losses) included in determining loss before income taxes was $0.7 million $0.6 million and ($0.6) million $0.1 million for the six nine months ended August 31, 2023 November 30, 2023 and 2022, respectively.

As our international operations grow, our risks associated with fluctuation in foreign currency rates will become greater, and we will continue to reassess our approach to managing this risk. In addition, currency fluctuations or a weakening U.S. dollar could increase the costs of our international expansion and operations.

Interest Rate Risk

Our exposure to market rate risk for changes in interest rates relates primarily to our investment portfolio. The primary objective of our investment activities is to preserve principal and liquidity while at the same time maximizing yields without significantly increasing risk. To achieve this objective, we maintain our investment portfolio in a variety of available-for-sale fixed debt securities, including both government and corporate obligations and money market funds. Investments in fixed rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in prevailing interest rates. Due in part to these factors, we may suffer losses in principal if we need the funds prior to maturity and we choose to sell securities that have declined in market value due to changes in interest rates or perceived credit risk related to the securities' issuers.

As the majority of our investment portfolio has a short-term nature, we do not believe an immediate increase or decrease in interest rate would have a material effect on the fair market value of our portfolio, and therefore, we do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

We do not believe our cash equivalents have significant risk of default or illiquidity. However, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits. We cannot be assured that we will not experience losses on these deposits.

Loans outstanding under our revolving credit facility bear interest at either the Bloomberg short-term bank yield rate plus a margin of 2.50% per annum or an alternate base rate plus a margin of 1.50% per annum. Changes in interest rates would impact our variable rate borrowings. As of August 31, 2023 November 30, 2023, there was no outstanding borrowings under our revolving credit facility.

As a subsequent event, on December 15, 2023, the Company entered into a credit agreement under which it borrowed $45 million, bearing an interest rate equal to the secured overnight financing rate plus 6.75% with a maturity date of December 15, 2027 (the "Term Loan"). Concurrent with the Term Loan, the Company paid off the remaining liabilities under its asset-based revolving credit facility and terminated that arrangement. The Company further concurrently entered into a supplemental indenture granting a first priority interest in substantially all the Company's assets to the holders of the 2025 Convertible Notes. Defaults under the Term Loan and supplemental indenture to the 2025 Convertible Notes constitute default events under each respective indebtedness. See Note 15, *Subsequent Events*, for additional information.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our principal executive officer and principal financial officer have concluded, based on their evaluation of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report, that our disclosure controls and procedures are effective to ensure that the information required to be disclosed in reports that are filed or submitted under the Exchange Act is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and that such information is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d 15(f) under the Exchange Act) that occurred during the second third quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 13, 14, *Legal Proceedings*, of the Notes to Unaudited Condensed Consolidated Financial Statements above for information regarding the legal proceedings in which we are involved.

ITEM 1A. RISK FACTORS

The reader is referred to Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended February 28, 2023, as filed with the SEC on April 28, 2023, for a discussion of factors that could materially affect our business, financial condition, results of operations, or future results.

Our ability to have our securities traded on the Nasdaq Capital Market is subject to us meeting applicable listing criteria.

We are currently listed on the Nasdaq, Global Select Market, LLC ("Nasdaq"), a national securities exchange. The Nasdaq requires companies desiring to list their common stock listed on the exchange to meet certain listing criteria including total number of shareholders: minimum stock price, total value of public float, and in some cases total shareholders' equity and market capitalization. Our failure to meet such applicable listing criteria could prevent us from result in the termination of the listing of our common stock on the Nasdaq. In the event we are unable to have our shares traded on Nasdaq, our Common Stock could potentially trade on the OTCQX or the OTCQB, each of which is generally considered less liquid and more volatile than the Nasdaq. Our failure to have our shares traded on the Nasdaq could make it more difficult for you to trade our shares, could prevent our Common Stock trading on a frequent and liquid basis, and could result in the value of our common stock being less than it would be if we were able to list our shares on the Nasdaq

On August 22, 2023, we received a deficiency letter from Nasdaq notifying us that, based upon the closing bid price of our Common Stock for the last 30 consecutive business days, we are not currently in compliance with the requirement to maintain a minimum bid price of $1.00 per share for continued listing on Nasdaq, as set forth in Nasdaq Listing Rule 5450(a)(1) (the "Minimum the Minimum Bid Requirement"). Requirement. If at any time before February 20, 2024, the closing bid price of our Common Stock closes at or above $1.00 per share for a minimum of 10 consecutive business days, subject to Nasdaq's discretion to extend this period pursuant to Nasdaq Listing Rule 5810(c)(3)(H), Nasdaq will provide written notification that we have achieved compliance with the Minimum Bid Requirement, and the matter would be resolved. If we do not regain compliance with the Minimum Bid Requirement during the initial 180 calendar day period, we may be eligible for an additional 180 calendar day compliance period. To qualify, we would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the Minimum Bid Requirement, and would need to provide written notice of its intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. We will continue to monitor the closing bid price of our Common Stock and seek to regain compliance with all applicable Nasdaq requirements within the allotted compliance periods. However, there can be no assurance that we will regain compliance with the Minimum Bid Requirement during the 180-day compliance period, secure a second period of 180 days to regain compliance or maintain compliance with the other Nasdaq listing requirements.

In addition, at the date of issuance of its interim consolidated condensed financial statements, the Company has measured its compliance with the continued listing criteria set forth in Nasdaq listing rules 5450(a) and 5450(b)(1)-(3) with respect to the minimum market value of publicly held shares, minimum market value of listed securities, and minimum stockholders' equity requirements (the "Continued Listing Requirements"), and concluded that it was not in compliance with the aforementioned listing standards. The Company has not yet received an additional non-compliance notice from Nasdaq but expects that it will receive such a notice, after which the Company will have 45 calendar days to submit a plan to regain compliance. If the Company's plan to regain compliance is accepted, Nasdaq can provide the Company an extension of up to 180 days from the date of notice to cure such listing deficiency. However, there can be no assurance that Nasdaq will accept any plan to regain compliance, and if the Company fails to regain compliance with these requirements or to submit an acceptable plan to regain compliance to Nasdaq within the time allotted, the Company will be subject to delisting from Nasdaq for failure to satisfy the Continued Listing Requirements.

Delisting of our securities from the Nasdaq Capital Global Select Market or the Nasdaq Global Market could subject us to repurchase obligations under our 2025 Convertible Notes, which may have a material adverse effect on our business, results of operations and financial condition, and effect our ability to continue as a going concern.

If our common stock ceases to be listed on any either of The the Nasdaq Global Select Market or the Nasdaq Global Market or The tiers of Nasdaq Global Select Market (or any of their respective successors), then a "fundamental change" under our 2025 Convertible Notes would occur. If such a fundamental change under our 2025 Convertible Notes were to occur, holders of our 2025 Convertible Notes may require us to repurchase their 2025 Convertible Notes following the fundamental change at a cash repurchase price generally equal to the principal amount of the 2025 Convertible Notes to be repurchased, plus accrued and unpaid interest, if any. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the 2025 Convertible Notes. In addition, applicable law, regulatory authorities and the agreements governing our future indebtedness may restrict our ability to repurchase the 2025 Convertible Notes. Our failure to repurchase 2025 Convertible Notes when required will constitute a default under the indenture governing the 2025 Convertible Notes. A default under the indenture governing the 2025 Convertible Notes or the fundamental change itself could also lead to a default under agreements governing our future indebtedness, which may result in that future indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under such other indebtedness and the 2025 Convertible Notes.

At August 31, 2023 November 30, 2023, the principal amount of the 2025 Convertible notes Notes plus accrued and unpaid interests is in excess of the Company's available cash resources. The uncertainties associated with the Company's ability to cure noncompliance with the Nasdaq listing requirements

coupled with the redemption rights of the 2025 Convertible Note Holders holders under a fundamental change scenario represent conditions raising substantial doubt regarding the Company's ability to continue as a going concern before consideration of management's plans. The Company plans to effect a reverse-stock spilt in the event that the Company's stock price does not improve to meet its ongoing Nasdaq listing requirements, which would prevent the occurrence of a fundamental change under the 2025 Convertible Notes. Management believes that it is probable that shareholder approval will be obtained for the reverse-stock split and that the reverse-stock split will restore compliance with the Nasdaq listing requirements. Minimum Bid Requirement. If the Company does not obtain shareholder approval of a reverse-stock split or otherwise regains compliance with the Nasdaq

listing requirements, it would or if the Company is unable to regain compliance with the Continued Listing Criteria of Nasdaq, the resulting repurchase right triggered with respect to the 2025 Convertible Notes could have a material adverse effect on our business, results of operations and financial condition, and effect affect our ability to continue as a going concern.

ITEM 2. UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

The following table contains information with respect to purchases made by or on behalf of CalAmp or any "affiliated purchaser" (as defined in Rule 10b18(a) (3) under the Securities Exchange Act of 1934), of our common stock during the quarter ended August 31, 2023 November 30, 2023:

	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that may be Purchased Under the Plans or Programs
June 1 - June 30, 2023	18,355	$ 1.75	-	$ -
July 1 - July 31, 2023	236,350	$ 0.88	-	$ -
August 1 -August 31, 2023	4,011	$ 1.16	-	$ -
Total	258,716	$ 0.95	-	$ -

	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that may be Purchased Under the Plans or Programs
September 1 - September 30, 2023	3,965	$ 1.02	-	$ -
October 1 - October 31, 2023	29,402	$ 0.45	-	$ -
November 1 - November 30, 2023	10,958	$ 0.25	-	$ -
Total	44,325	$ 0.45	-	$ -

(1) The amounts in this column represent shares of our common stock surrendered by employees to the Company, upon vesting of restricted stock satisfy tax withholding requirements.

(2) Amounts in this column reflect the weighted average price paid for shares tendered to us in satisfaction of employee tax withholding obligati upon the vesting of restricted stock granted under our stock plan.

ITEM 6. EXHIBITS

Exhibit 10.1*	Separation Agreement and General Release between CalAmp Corp. and Richard Scott
Exhibit 31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101 .INS	Inline XBRL Instance Document
101 .SCH	Inline XBRL Taxonomy Extension Schema Document
101 .CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101 .DEF	Inline XBRL Taxonomy Definition Linkbase Document
101 .LAB	Inline XBRLTaxonomy Extension Label Linkbase Document
101 .PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* *Compensatory Plan or Arrangement required to be filed as an exhibit to this report*

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CALAMP CORP.

October January 9, 2023 2024	/s/ Jikun Kim
Date	Chief Financial Officer

Exhibit 10.1

SEPARATION AGREEMENT AND GENERAL RELEASE

between

CALAMP CORP.

and

RICHARD SCOTT

dated as of

December 16, 2023

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the "**Agreement**") is made as of the Effective Date (defined below) between CalAmp Corp. (on behalf of itself, its subsidiaries, and its other corporate affiliates and each of their respective employees, officers, directors, owners, shareholders, and agents, referred to throughout this Agreement as the "**Employer**" or the "**Company**"), and **Richard Scott** (referred to throughout this Agreement as "**Executive**"), and was presented to Executive on the 16th day of November, 2023 ("**Presentment Date**"). Employer and Executive are sometimes referred to together in this Agreement as the "**Parties**," and each individually as a "**Party**").

I. BACKGROUND AND PURPOSE ("Background")

A. Executive is employed by the Company as its Chief Legal Officer, pursuant to that certain employment agreement dated November 1, 2021 and entered into on November 2, 2021 (the "**Employment Agreement**") (capitalized terms used in this Agreement, but not defined in this Agreement, have the meaning in the Employment Agreement);

B. On November 14, 2023, the Company notified (the "**Notification Date**") Executive that the Company would be terminating his employment, without Cause, under Section 6(d) of the Employment Agreement, effective December 29, 2023 (the "**Termination Date**");

C. The Parties have agreed to compromise and settle any and all claims or disputes that might be made by Executive arising out of his employment relationship with Employer and the termination of his employment;

D. The consideration set forth in this paragraph I.D is referred to as the "**Separation Consideration**":

1. Under Section 6(d)(iv) of the Employment Agreement, in order to receive the Separation Consideration provided under Section 6(d) of the Employment Agreement, Executive must deliver to the Company within forty-five (45) days following the Presentment Date, a full and complete release, as set forth in this Agreement; and, if he fails to provide this Agreement, signed and unrevoked, within fifty-three (53) days (i.e., January 8, 2024), then the Separation Consideration will be automatically forfeited on the fifty-third (53rd) day following the Presentment Date.

2. Subject to the foregoing, and the other terms and conditions herein, the Company shall provide the following Separation Consideration:

Cash Compensation:	Salary Continuation in an amount equal to twelve (12) months of Executive's BaseSalary at $325,000.00, less standard withholdings for tax and social security purposes, payable in equal installments coinciding with the regular payroll processing schedule of the Company.

Bonus:

On the first payroll date following December 29, 2023, provided the signed release shall have been delivered and not been revoked, Executive will receive:

- a pro rata portion of his target FY24 bonus based on 303 days worked in FY24, which prorated amount i $134,897.26.

Equity under the Amended and Restated 2004 Incentive Equity Plan:

Unvested equity awards granted under the Company stock incentive plan prior to 2021 shall continue to vest for a period of 12 months following the Termination Date. Unvested equity awards granted during or after 2021 shall be forfeited.

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In addition, unvested PSU awards granted in 2022 shall receive accelerated vesting equivalent to 12 months assuming achievement of the applicable Performance Goals for such performance period. Unvested PSU awards granted in 2023 shall receive accelerated vesting of any PSU's that would otherwise have vested within the 12-month period after the Termination Date calculated at target achievement, with such PSU's vesting on the Termination Date. Recipient shall forfeit the remainder of the PSU's that would otherwise have vested after such date, as outlined below. Per the Executive's request the Company will make federal withholding for any vesting PSUs at the rate of 37%.

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Benefits:

(1) Continuation through December 31, 2023:

- The Executive will receive ongoing benefits until December 31, 2023, inclusive of medical, dental, vision, an Armadacare for Executive and their spouse.

(2) COBRA Premium Payments for 18 Months:

- Starting from January 1, 2024, and continuing through June 30, 2025, the Company will pay 100% of eighteen (18) months of COBRA premiums for medical, dental, and vision and Armadacare coverage (for seven months for period of January through July, 2024) for the Executive and their spouse. Such payment of COBRA premiums shall not prejudice Executive's right to participate in COBRA for the remainder of the eligible Cobra period provided in the Consolidated Omnibus Budget Reconciliation Act of 1986.

E. Executive freely and knowingly, and after due thought and deliberation, enters into this Agreement intending to waive, settle, and forever release any and all claims that he has, or might ever have, against Employer.

II. AGREEMENT

In consideration of the Background above, which is an integral part of this Agreement, and for the Separation Consideration described above, which the Parties acknowledge as sufficient, and intending to be legally bound by this Agreement, the Executive and the Employer agree as follows:

1. Effective Date. This Agreement will become effective on the eighth (8th) calendar day after the Executive signs and delivers this Agreement to the Employer (the "**Effective Date**"), provided that the Executive does not revoke this Agreement before that date in accordance with paragraph II.8 below; and, provided that the Executive signs this Agreement on or before December 31, 2023 (which is forty-five (45) calendar days following the Presentment Date).

2. Payment of Accrued Obligations and Separation Consideration.

2.1 The Employer undertakes that no later than the Termination Date, the Company will pay Executive (A) his final accrued salary, (B) any unreimbursed business expenses incurred by Executive and payable in accordance with the Company's standard expense reimbursement policies, and (C) benefits earned, accrued and due under any qualified retirement plan or health and welfare benefit plan in which Executive was a participant in accordance with applicable law and the provisions of such plan ((A) through (C) collectively, the "**Accrued Obligations**"). Provided that payment of the Accrued Obligations shall have been made in accordance with the preceding sentence, Executive undertakes that no later than January 4, 2024 he will sign and deliver a termination letter acknowledging that the Accrued Obligations have been paid and hehas received all amounts owed for his regular and usual salary, usual benefits, and other wages or compensation earned through the Termination Date. Executive acknowledges that the Company offers a *Flexible Time Off Polic*y, and because employees request time off as needed under that *Policy* (based on supervisor prior approval), the Executive will have accrued no time off and thus shall not be entitled to receive any vacation payout on the Termination Date. Except as required under applicable law, all benefits will cease as of the Termination Date and Executive will not be entitled to receive any further wages, salary, bonuses, or other forms of paid time off, benefits, or any other form of compensation following the Termination Date, except as set forth in paragraph II.2.2 below.

2.2 Employer represents and warrants to Executive that its intention is not to file for insolvency protection during the duration of the Separation Consideration provided by this Agreement and understands that Executive is executing this Agreement based upon his reasonable and actual reliance upon that representation, which is material to Executive. In exchange for signing this Agreement and Executive's compliance with the promises made and obligations that he has undertaken in this Agreement, Employer agrees to provide the Separation Consideration; provided, however, that Employer acknowledges and agrees that if this Agreement has been executed and not revoked but the Accrued Obligations shall not have been paid in accordance with paragraph II.2.1 above, then Executive's failure to deliver a signed termination letter in accordance with paragraph II.2.1 above shall not affect Executive's right to receive the Separation Consideration. The Separation Consideration shall be considered compensation, wages or salary (including severance) earned in the last 180 days of Executive's employment with Company.

EXECUTIVE UNDERSTANDS AND AGREES THAT HE WOULD NOT BE ENTITLED TO THE SEPARATION CONSIDERATION WITHOUT HIM SIGNING, AND NOT REVOKING, THIS AGREEMENT AND FULFILLING THE PROMISES HE MADE IN THIS AGREEMENT.

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3. General Release of Claims. Executive, for himself, hisspouse, descendants, dependents, heirs, executors, administrators, conservators, successors, and assigns (collectively referred to as "**Releasing Parties**") knowingly, voluntarily, and irrevocably releases and forever absolves and discharges, to the fullest extent permitted by law, Employer and any of its current, former, or future parents, affiliates, subsidiaries, divisions, or related entities, and any of their respective past, present, or future Executives, officers, directors, stockholders, shareholders, members, owners, attorneys, agents, insurers, representatives, trustees, or administrators, predecessors, successors, and assigns, (collectively referred to as "**Released Parties**"), of and from any and all claims, demands, liens, agreements, contracts, agreements, covenants, actions, suits, causes of action, wages, obligations, debts, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity, or otherwise, whether now known or unknown, asserted or unasserted, suspected or unsuspected, and whether or not concealed or hidden, which Executive now owns or holds or has at any time before owned or held as against any Released Parties based on actions or events that occurred prior to the Effective Date of this Agreement (collectively the "**Claims**") including, without any limitation:

3.1.any and all Claims for violation of any federal, state, local, or municipal law, regulation, ordinance, constitution, or common law relating to employment, conditions of employment (including wage and hour laws), compensation and employment discrimination, including, but not limited to, Title VII of the Civil Rights Act of 1964; The Civil Rights Act of 1991; The Executive Retirement Income Security Act of 1974; The Americans With Disabilities Act of 1990; The Age Discrimination in Employment Act of 1967; the Older Worker Benefit Protection Act; The Workers Adjustment and Retraining Notification Act; The Occupational Safety and Health Act; The Fair Labor Standards Act; The Family and Medical Leave Act; The California Family Rights Act, as amended; The California Fair Employment and Housing Act; The California Business and Professions Code, and the California Labor Code, including all amendments to each such law, regulation, ordinance, constitution, or common law;

3.2.any and all Claims relating to or arising from Executive's employment relationship with the Employer and the termination of that relationship;

3.3.any and all Claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander;

negligence; personal injury; physical injury; assault; battery; invasion of privacy; false imprisonment; and conversion; and

3.4.any and all Claims for attorneys' fees, costs and penalties.

4. Protected Rights of Executive. Nothing in this Agreement (including the general release of Claims in paragraph II.3 above, the confidentiality obligations in paragraph II.11 below, and non-disparagement obligations in paragraph II.6 below) prohibits Executive from filing a charge with any governmental agency or participating in any governmental investigation, including filing charges with or participating in investigations by the National Labor Relations Board or the Equal Employment Opportunity Commission, and Executive retains the right to engage in concerted activity protected by Section 7 of the National Labor Relations Act (the "**Protected Rights**"). Despite Executive's Protected Rights, Executive specifically waives his right, subject to applicable law, to recover any monetary damages or any individual relief in connection with any charge made by Executive. Also, Executive does not release Claims with respect to: (a) indemnification pursuant to applicable law, including California Labor Code section 2802 or pursuant to the Bylaws of the Company; (b) Claims for any benefits that are vested as of the Executive's termination date under the Employer's health and welfare plans or 401(k) plan; (c) underlying workers' compensation benefits, or (d) Claims arising out of this Agreement.

5. Promise Not To Sue. Executive, for himselfand the other Releasing Parties, promises not to sue or initiate against Employer or any Released Party any mediation, arbitration, or judicial proceeding, or to participate in same, individually or as a member of a class, in which Executive, any other Releasing Party, or any representative of Executive or any other Releasing Party asserts against Employer or any other Released Party any Claim based on alleged breach of contract, tort, or violation of any law or regulation, whether federal, state, or local, pertaining in any manner to Executive's employment by Employer or the termination of the employment relationship other than in respect of Claims that are expressly not released under paragraph II.4.

6. Non-Disparagement. As of the Termination Date, the Executive will not represent himself as being an Executive, officer, or representative of the Employer for any purpose whatsoever. Subject to Executive's Protected Rights, Executive, on behalf of himself and the other Releasing Parties, agrees and promises and covenants that he will not at any time, directly or indirectly, make, ratify, infer, or criticize by means of any disparaging, uncomplimentary, critical, or negative remarks, comments, or statements, public or private, oral or written, concerning the Employer or its businesses, products, services, or any of its Executives, officers, or directors, or existing and prospective customers, suppliers, or any other associated third parties.

The Company also agrees that it will not at any time, directly or indirectly, make, ratify, infer, or criticize by means of any disparaging, uncomplimentary, critical, or negative remarks, comments, or statements, public or private, oral or written, concerning Executive. The Company agrees that the Executive is rehirable, and that the Company will not now or in the future categorize or report Executive as "not rehirable".

7. Waiver of California Civil Code Section 1542. To give the full and complete general release as described in paragraph II.3 above, Executive expressly waives and relinquishes all rights and benefits of Section 1542 of the Civil Code of the State of California, or any other similar, comparable, or equivalent law in any state or jurisdiction, and Executive does so understanding and acknowledging the significance and consequence of specifically waiving Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

"A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his favor at the time of executing the release and that, if known to him would have materially affected his settlement with the debtor or released party."

So, notwithstanding the provisions of Section 1542, and to implement a full and complete release and discharge of the Released Parties, Executive expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all claims Executive does not know or suspect to exist in his favor at the time of signing this Agreement, and that this Agreement contemplates the extinguishment of any such claim. Executive represents and warrants that Executive has read this Agreement, including this waiver of California Civil Code Section 1542, and that he has consulted with an attorney about this Agreement, and specifically about the waiver of Section 1542, or has freely chosen to not consult with an attorney, and that Executive understands this Agreement and the Section 1542 waiver, and so Executive freely and knowingly enters into this Agreement. Executive acknowledges that he may later discover facts different from or in addition to those Executive now knows or believes to be true regarding the matters released or described in this Agreement, and even so, Executive agrees that the releases and agreements contained in this Agreement will remain effective in all respects notwithstanding any later discovery of any different or additional facts. Executive assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Agreement or with regard to any facts now unknown to Executive.

8. ADEA Waiver. In exchange for material portions of the additional pay and benefits provided by the Separation Consideration under this Agreement and, in accordance with the Older Workers Benefit Protection Act, Executive expressly acknowledges and agrees that, by entering into this Agreement, he is knowingly and voluntarily waiving any and all rights and releasing all Claims and claims, known or unknown, arising under the Age Discrimination in Employment Act of 1967, as amended (the "**ADEA**"), that he may have otherwise had against the Employer or any Released Party up to the Effective Date of this Agreement. Executive also expressly acknowledges and agrees that:

8.1in return for this Agreement, Executive will receive consideration, that is, something of value, beyond that to which he was already entitled, before entering into this Agreement;

8.2 Executive is advised to consult with an attorney before signing this Agreement;

8.3 Executive is informed that he has forty-five (45) calendar days from the Presentment Date, to consider whether to sign and accept the terms of this Agreement and that, if he signs this Agreement prior to the forty-five (45)-day period, he will have done so voluntarily and with full knowledge that he is waiving his right to have forty-five (45) days to consider this Agreement.

Executive agrees that any modifications, material or otherwise, made to this Agreement will not restart or affect in any manner the original forty-five (45) calendar day consideration period.

8.4 Nothing in this Agreement prevents Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

8.5 Executive is informed that he has seven (7) days following the date that he signs this Agreement during which he may revoke it. This Agreement will become null and void if Executive elects revocation during that time. In the event that Executive fails to so notify the Employer, he will be deemed to have waived his right of revocation. If Executive exercises his right of revocation, neither the Employer nor Executive will have any obligations under this Agreement. Any revocation within this period must be submitted, in writing, to CalAmp and state, "*I hereby revoke my acceptance of the Separation Agreement and General Release*." This revocation must be personally delivered to Susan Helling, or mailed to CalAmp, ATTN: Susan Helling, Senior Director of Human Resources, 15635 Alton Parkway, Suite 250, Irvine, California 92618, and postmarked within seven (7) calendar days of execution of this Agreement or emailed to Susan Helling at shelling@calamp.com within seven (7) calendar days of execution of this Agreement. This Agreement will not become effective or enforceable until the revocation period has expired. If the last day of the revocation period is a Saturday, Sunday, or legal holiday in the state in which Executive was employed at the time of his last day of employment, then the revocation period will not expire until the next following day which is not a Saturday, Sunday, or legal holiday.

9. Health and Welfare Benefits.Except as set forth in paragraph I.D above,Executive understands and agrees that his right to benefits under the Employer's health and welfare benefit program, if any, will be limited to those set forth in the Consolidated Omnibus Budget Reconciliation Act of 1986 ("**COBRA**") or the Health Insurance Marketplace under the Affordable Care Act.

10.Return of Company Property. Executive undertakes that within seven (7) days after the Termination Date, he will return to Employer all Employer information and property including and without limitation the following: reports, data, plans, projects, files, charts, and records, memoranda, records software; credit cards, cardkey passes; door and file keys; safe combinations; computer access codes; disks and instructional or

personnel manuals; and other physical or personal property which Executive received or prepared or helped to prepare in connection with his employment with Employer, except that Employer agrees that Executive may retain his Company issued laptop, subject to the removal therefrom of the Company's Confidential Information (as defined below). Executive represents and agrees that he has not retained and will not retain any copies, duplicates, reproductions, or excerpts. All other Company issued electronic devises, if any, shall be returned to Company by Executive.

11.Confidentiality. Executive acknowledges that by virtue of his executive position with the Company, he has been given access to confidential information, intellectual property, trade secrets, customers, respecting the Company's affairs ("**Confidential Information**"). In particular, he has received, or otherwise been privy to highly sensitive Confidential Information, including but not limited to, the Company's strategic, business, and marketing plans and strategies. Executive further acknowledges that he has complied with, and will continue to comply with, his continuing obligations under that certain *Confidentiality, Inventions, and Non-Solicitation Agreement* (the "**Confidentiality Agreement**"), prescribing his obligations to not solicit Company employees and customer, among other obligations, that survives the termination of his employment, and is hereby incorporated into this Agreement as if set forth verbatim, and is attached hereto as Attachment A.

12.Section 409A.This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**") or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Employer makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Employer be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

13.Remedies for Breach of Agreement. Executive acknowledges that the Employer and the other Released Parties would suffer irreparable harm as a result of any disparagement (described in paragraph II.6), unauthorized disclosure, or use of Employer Confidential Information (described in paragraph II.11 and the Confidentiality Agreement), and that monetary damages would be insufficient to compensate the Employer for such harm. Therefore, if Executive is in breach, or threatens a breach, of his obligations or any provision of this Agreement, the Employer and any other affected Released Party is entitled to seek an injunction or temporary restraining order, without notice to Executive, restraining any unauthorized disclosure or use of the Employer's

Confidential Information in addition to any other available remedy, including damages. Further, Executive acknowledges that any breach of the foregoing would cause damage to the Employer that would be difficult if not impossible to establish and, thus, Executive agrees that he will pay to the Employer as liquidated damages, and not as a penalty, an amount equal to the Separation Consideration paid to Executive, and he expressly waives the right to any further Separation Consideration obligations expressly stated in this Agreement. In the event that Executive sues or otherwise institutes, initiates, or participates in any legal proceedings against the Employer or any Released Party for any claim or matter released hereby in violation of this Agreement, (a) the Employer will be relieved of its obligation to pay any Separation Consideration provided for in this Agreement, (b) the Employer will be entitled to recover from Executive all Separation Consideration previously paid to Executive, in addition to all other lawful remedies, and (c) all other provisions of this Agreement will remain in full force and effect.

14.Governing Law and Interpretation and Severability. This Agreement will be governed by the laws of the State of California without regard to its conflict of laws provision. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision immediately will become null and void, leaving the remainder of this Agreement in full force and effect.

15.No Admission of Wrongdoing. The Parties agree that neither this Agreement nor the furnishing of the Separation Consideration for it will be deemed or construed at any time for any purpose as an admission by Employer of any liability or wrongful conduct of any kind.

16.Amendment. This Agreement may not be modified, altered or changed except with the express written consent of both Parties.

17.Miscellaneous.

17.1 This Agreement will be binding upon each Party and upon each Party's heirs, administrators, representatives, executors, successors and assigns, and will inure to the benefit of the other Party and each of them, and to each Party's heirs, administrators, representatives, executors, successors and assigns.

17.2 For purposes of this Agreement, (a) the words "include," "includes," and "including," are deemed to be followed by the words "without limitation;" (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder," refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to sections, paragraphs, schedules, and exhibits mean the sections or paragraphs of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document; and (z) to a statute means such statute, any successor legislation thereto, and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Any schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if

they were set forth verbatim herein. All references to "$" or "dollars," mean the lawful currency of the United States of America. Whenever the masculine is used in this Agreement, the same shall include the feminine and whenever the feminine is used herein, the same shall include the masculine, where appropriate. Whenever the singular is used in this Agreement, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate.

17.3 This Agreement may be executed in counterparts, each to constitute an original. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf," "tif," or DocuSign) format will be effective as delivery of a manually executed counterpart of this Agreement.

18. Entire Agreement. This Agreement, the Employment Agreement, the Confidentiality Agreement, Restricted Stock Unit Agreements, Performance Stock Unit Agreements, the CalAmp Deferred Compensation Plan, the Mandatory Binding Arbitration Agreement, and any other employment documents that Executive signed with the Company, sets forth the entire agreement between the Parties hereto, and fully supersedes any prior obligation of the Employer to the Executive including without limitation, the Employment Agreement. Executive acknowledges that he has not relied on any representations, promises, or agreements of any kind made to him in connection with his decision to accept this Agreement, except for those set forth in this Agreement. In the event of a conflict, this Agreement will control.

IN WITNESS OF THIS AGREEMENT, the Parties knowingly and voluntarily sign this Agreement on the date below.

EMPLOYER:	**EXECUTIVE**:
By: /s/ Jason Cohenour	/s/ Richard Scott
Jason Cohenour	Richard Scott
Its: Interim President and CEO	
Dated: December 16, 2023	Dated: December 16, 2023

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT, AS AMENDED

I, Jason Cohenour, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CalAmp Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by

report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects t financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements fo external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; an

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most r fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October January 9, 2023 2024	/s/ Jason Cohenour
Date	Jason Cohenour
	Interim Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT, AS AMENDED

I, Jikun Kim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CalAmp Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects t financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements fo external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; an

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most r fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October January 9, 2023 2024	/s/ Jikun Kim
Date	Jikun Kim
	Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CalAmp Corp. (the "Company") on Form 10-Q for the quarter ended August 31, 2023 November 30, 2023 as filed with the Securities and Exchange Commission (the "Report"), we, Jason Cohenour, Interim Chief Executive Officer of the Company, and Jikun Kim, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason Cohenour
Jason Cohenour
Interim Chief Executive Officer

/s/ Jikun Kim
Jikun Kim
Chief Financial Officer

October January 9, 2023 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

REFINITIV