

Economic Risk Comments

Major concerns with commodity pricing and labor shortages.

all of the above

All about the uncertainty associated with the factors mentioned. Uncertainly breed risk

We are experiencing border delays and increased USDA checks at the borders for heat treatment marks on skids/pallets, and absence of pests and dirt.

We have also seen a number of people leaving due to not wanting to work in office. We offer a hybrid work environment, however some employees do not want to assume the risk of coming in to the office part time.

We do offer living wages and a great benefits package. That doesn't appear to be enough for some people though. I am experiencing issues with even finding qualified applicants for my open roles. This may be due to the fact that there was an extreme excess mortality rate within the country in the last year and a half.

Inflation is going to be crazy over the next couple of years. No matter who gets blamed for it, it is something that has been building for years.

Labor shortages are the largest risk my industry faces. With trucking being a leading economic indicator, this will affect the pricing of just about everything we see on shelves and will continue to lead to higher annual inflation rates. As COVID continues with no true end in sight, I pray that another pandemic doesn't come about which could be detrimental to our nation.

Covid and climate change continue to pose risks to labor shortages for us

Where tech/innovation meets automotive and alt-energy, there are both pro's and con's. I say they balance the scales in the short-term.

Not all elements above will increase, but on the whole, I expect more economic risk associated with Commodity price volatility, labor shortages, increasing energy costs, and global energy shortages. Border delays will stabilize. The demand "shock" has already happened. This means we're in a new demand "normal". Inflation will be a part of everyone's life for the next 12 to 18 months. Keep in mind, prices today are still below where they were pre Covid 19.

rising labor costs

No reason to see any relief in the areas mentioned above.

Always an unknown. We roll with the punches but there will be, as there always is, an economic risk to eventually face.

Transportation Disruption Risk Comments

Delivery issues related to driver shortages has been cited by vendors.

all the bullets listed above are contributing and will continue to contribute in 2022

Again, our customer are software and visualization firms. Transportation is less of a problem for us.

We are experiencing driver shortage, increasing fuel prices, and due to demand and lack of supply (space on airplanes/vessels), we are paying premium rates outside of our contracted rates to get the cargo where it needs to be by the customer's deadline to prevent mines down.

Fuel is going up quickly.

As the infrastructure bill come into play I am expecting a larger number of over the road drivers to convert to construction drivers. This will complicate the driver shortage.

Road construction cause delays over and over again that will negatively impact transportation until it is complete which could be years and years away.

Driver shortage is significant and getting worse. 80,000 drivers short in 2021 and predicted to be 160,000 short by 2030. Demand heavily outweighs the supply. Equipment is in high demand and equipment manufacturers are unable to fulfill their orders. Fuel costs are continuing to rise. All of these factors are compounded to create the unprecedented levels of trucking and shipping costs we are facing today. Market will not soften in the short term unless some of these issues are addressed.

We have moved to remote work, so transportation has become not important at all

We expect increased pricing pressures in freight and logistics more broadly. However, we are less impacted than other industries with sea-port delays as most of our infrastructure products are shipped via air. Air freight capacity and costs are the main focus and risk. While delays at ports associated with COVID are possible, we are seeing the management of COVID as stable or improving. However, overall labor availability continues to be a challenge.

Cost and reliability of deliveries.

Not a factor in our business

As above, all examples will worsen in the 1st quarter

With fuel process and rate increases it will be harder to acquire long term customers and a more transactional environment may surface.

Supplier Risk Comments

Raw material pricing is a major issue.

Component delivery from specific regions or as a sole source has delayed equipment manufacturing schedules

all the bullets listed above are contributing to the increased risk at our company; some items are just globally constrained and can't be produced fast enough or the raw materials aren't available in abundance enough to keep up with the demand, so suppliers have to allocate to customers, and for the materials we need, we are not their biggest customers, so we get shorted all the time despite offering more money

So far our suppliers are backlogged, so we are at risk. Plus, the unknown re climate effects work against us.

We moved the production of some items from Canada to Mexico, and we are encountering issues with delivery schedules and timeliness of order completion.

Suppliers are already starting to go bankrupt or being absorbed it to others.

Staffing shortages are putting suppliers behind in meeting promise dates. In addition, the challenges, costs and delays getting products from overseas isn't helping the cause.

Some of our software suppliers will probably have issues, but it will be a minimal increase

The recent global IC shortages have exposed the over-reliance of a small set of factories in a single geographic location. While we do not buy from these suppliers directly, they are the underpinning of the entire tech ecosystem. This means that any supplier of ours is at risk at any time through no direct fault of theirs to be short of critical components and sub assemblies. Knowing where a particular shortage may occur is extremely difficult if not impossible to predict. Because of this, we have developed contingencies internally to react to shortages if they occur. While the Suppliers are at risk, our contingencies protect our company and our customers

On shoring may begin in the later half of 2022. That will take time and expertise.

No one will commit to any schedule using Covid as an excuse.

Pricing will dictate the supplier risk

Cybersecurity and Data Risk Comments

people are getting smarter faster than security measures are being taken

As we get smarter, so do the crooks. Plus, as we migrate into new database systems (blockchain for instance), our learning curves place us at increased risk

The bandits are getting more brazen.

We are all at risk every day with hackers creatively coming up with new ways to put our systems at risk. We take cybersecurity very seriously and risk is always increasing as technology generally improves. Investments in and around cryptocurrencies invite more sophisticated actors onto the scene which heightens the likelihood.

Cybersecurity and Data Risks are increasing globally. This is due to the fact that those perpetrating attacks are often nation-state actors or are funded by them. Accordingly, we are constantly working to improve our security processes and capabilities.

The easiest way to get into sensitive data is to use a supply chain partner's email which will come to someone in your company. Educating your entire supply chain is vital.

More threats offset by better mitigation

They're getting smarter out here and we need to protect ourselves...reinvesting in Tech security is one of the main areas of focus.

Government Intervention Risk Comments

Not just federal gov, local city gov - introducing new laws to make business shoulder risk and responsibilities like requiring additional inspections etc - more things to give violations on.

Big government continues to grow with often the left hand not knowing what the right hand is doing.

Mask and vaccine mandates

government limitation of electricity, gov't lockdowns/shutdowns for covid cases

The question of what actually is a government comes into play. Does geography really matter. Facebook as no physical bounds, yet its "GDP" is only matched by the U.S and China!

We moved the US warehousing to a Foreign Trade Zone to minimize Tariffs- especially the Section 301 and Section 232 Trump Tariffs, which have not been eliminated by Biden, and we are unsure if these will be eliminated, or when.

Who knows what the politicians are going to do?

We continue to push for certain standards to be enforced by our gov't with respect to the transportation industry. They are slow moving and difficult to obtain the necessary support from representatives.

As regulation increases, our product becomes more useful and necessary - but I'm picking Same because there is always the risk of deregulation

Bipartisan infrastructure bill doesn't hurt; emphasis on Bipartisan.

The recent passage of the US Infrastructure bill will provide investment dollars in technology specific to the US which is a positive. While investment in chip manufacturing is many years away in terms of seeing benefit in the supply chain, that investment is critical to creating resiliency in the supply chain. Regulations in social media / consumer data-privacy would likely represent an opportunity for our business versus a negative. The runaway train of government over regulation over the last 20 years is a major cause of the massive problems we are witnessing. California is the best example, the several other areas of the country are also at risk.

Customer Risk Comments

Pandemic has altered customer travel patterns. Our modelling thus far have not been accurate due to all the supply chain and transportation issues, our customer service level is not good, so there is huge risk of delistings for us; the increased cost of transportation is not able to be passed along to the customer b/c we cannot supply what they want, so they have us over a barrel

As customers pivot, our visuals and the software environments must change rapidly. Keeping pace with this uncertain and incomprehensible demand is a problem for us. Customers do not even know what they want! Customers in Canada are very mad we closed our plant in Canada and moved the production of goods to Mexico. These customers are very upset that we are not meeting deadlines due to transportation space availability and driver shortages.

Customer have ben holding off on making changes so I see many clients thinking about how they can start making moves. There is lots of activity.

Continuous evolution from local decision makers to control from corporate headquarters seems to be occurring. Especially among large corporations. Relationships and trust in these situations gets replaced with buying at lowest cost. Buying cheap in the current market is extremely risky to operations in terms of quality and reliability.

Our customers conduct risk reporting in our platform so as their risk increases, the attractiveness of our product goes up

Blue ocean pursuits through immerging technologies can be highly volatile. Especially as the value of those sectors entices more established players who have the financial backing and operational know-how to quickly turn the blue ocean to red.

We are fortunate in that we have very solid methods and systems to project growth and customer needs. This ability to project enables us to develop targeted contingencies in the event of supply chain shortages as mentioned above. While this is always a challenge to manage, we don't see a specific increase in customer risk at this time.

Customer demand is highly volatile and that won't change anytime soon.

Due to other risk factors

Stay ahead of the issues and react professionally when a risk arises and you will more times than most win the day

Operational Risk Comments

Cyber hacking and related criminal activities

government rationing of electricity in Asia started this quarter and will continue for the foreseeable future; supply chain congested so parts required for machine maintenance harder to get, so if machines break down, delays in fixing; supply chain congested so continued delays in receiving product from overseas; vaccine mandates causing people to leave jobs so light workforce will reduce production and cause service level issues to customers; demand had increased so much the past year but now with vaccine mandates and job security on shaky ground, spending is decreasing and all the product we've had on order will arrive in a "balloon-type fashion" and cause us to have excess inventory in 2022 so we will have to sell at a loss and/or perform layoffs to compensate and keep shareholders happy

We are continuing to focus on software and visualizations. Therefore, ex-of-COVID, our risk has decreased.

Counterfeiting is a major problem we encounter. This risk remains the same, and our customers are realizing that the counterfeit products are inferior and do not last as long as our certified parts for wear parts. The issue which is increasing is breakdowns - we are encountering MINES down. We have scheduled maintenance at mine sites and we are unable to supply equipment to the MINES to perform necessary updates to the equipment due to supply chain delays. This is causing downtime clauses to kick in to the tune of hundreds of thousands of dollars of lost revenue to the customer per hour, and is very costly to our company which supplies the equipment, and it may also cause us to lose future business and contracts.

The difficulty in getting repairs parts continues to escalate and extend. Many pieces of machinery have already missed standardized maintenance so this will become more of an issue as things continue.

In terms of our service based company, the biggest operational risk we are facing is finding good, reliable staff. Replacing employee laptops and other hardware needed to maintain our servers is probably one of the only risks

The first quarter of the calendar year is when we install or retrofit a higher percentage of our infrastructure equipment to support our existing business and customer growth. Given that supply chains are not forecasted to begin improving until mid to late 2022, the first quarter represents an increase due to the seasonality of our infrastructure processes.

Vendor risk

Current class 8 fleets are unreliable due to emission related issues. Supply chain problems make downtime unacceptable.

As carrier capacity tightens even more we will see higher rates and more damages.

Quality Risk Comments

We are seeing material/component issues which is raising concerns over quality of products. Also manufacturers are citing work force shortages as problems.

Software, both as applications and as-a-service, require a high level of quality and performance. The current environment has not made this requirement any less important.

Quality has been deteriorating and continues to do so as more companies scramble to meet demands. the push to make numbers always deteriorates quality.

An additional thing people are not considering is the longer materials sit in shipping containers the more potential problems there are with it when it comes out of them.

We do a good job maintaining our high service standards and meeting our customers expectations. Adding new staff and training them to fit our culture as well as provide the same levels of service is a constant challenge to overcome.

We are a software company so I don't think our quality will change.

We don't see specific quality risks, only product availability risks.

Too much work with staff turnover

Increased safety risks due to declining driver quantity and quality.

Maintaining a quality product (customer service) will be even more important in the coming year. That will be a major differential.

Environmental Risk Comments

Climate change

Scientifically, weather does not equal climate. One climate science data point is thirty years. Sadly, this critical distinction is known by just a few people ... the majority of citizens equate weather with climate.

Extreme weather events are a growing concern

if you call covid a natural disaster, then risk will increase b/c of gov'ts reaction to it (see above)

Winter weather can be very unpredictable and create transportation delays in an already very tight market As above. Our thinking is that climate uncertainty will add to our overall risk; but this feeling is too early to quantify.

We promote a safety culture, and are seeing a downtrend in industrial accidents.

We do anticipate that there may be additional COVID-19 surges as there are additional variants of the virus.

We consider this an environmental risk. We are not presently requiring vaccination, and are pending the government's requirements. We are limiting international travel, and we are offering a hybrid work environment.

Could be a bad snow year in the Northeast.

The winter months always have a way of creating additional challenges in the transportation industry.

Climate change is only getting worse

Puts pressure on the individuals and corporations to present the idea of a future that's relies on cleaner energy.

There is no indication that the climate crisis is being addressed fast enough.

These issues will always be with us. Most companies have plans for such things.

Global warming is increasing risks everywhere. The cost of this risk needs to be factored into prices.

Weather is not the culprit.

Same as above

Technological or Competitive Risk Comments

our competitors took a different route than us on inventory and are able to supply our customers better, so they will ultimately take more market share

We can think faster than we can protect. Our Achilles' heel.

more regulation will strangle us as its doing right now

Technology providers holding data hostage is a problem that no one is addressing. But there are people paying hundreds of thousands of dollars to get their data back from providers.

My company competes with new entries constantly being added to our industry. Most trucking companies are starting brokerages if they didn't already have them in place.

Technology on the other hand makes us more efficient and provides us and our customers with better visibility and control.

There are always new competitors trying to rip off our patents

It is exciting to see the more competition and I believe the impact will be neutral in Q1 as it seems so close. Any emerging tech or unforeseen competition will need to go through the scrutiny of the media and various platforms before it is seen as a threat.

Work from anywhere is driving many innovations across industries. However, we welcome both our customers and competitors to push us to solve the most pressing problems.

With AI the technology risk is major

Our power plant is a combined cycle natural gas plant that we are test-converting to blended hydrogen fuel.

We believe we are in the steady part of the curve technologically and ahead of the curve in considering new, environmentally friendly technologies

Very difficult to source good IT talent

new technologies we are deploying will reduce this

Our technology is considered best-in-class for the parcel transportation mode. We will continue to roll out new offerings to our API suite.

New entrants in the trucking pool, currently at the rate of 120,000 new carriers annually (DOT numbers) most of whom are untried inexperienced and sometimes out right dangerous will destroy the viability of that transportation sector.

Unless a competitor comes in with a product that does not rely on the same materials and components then there is less to worry about newer technologies.

We continuously reinvest into our Technology