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 May 31, 2022

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 (State or other jurisdiction of incorporation or organization)	**95-3647070** (I.R.S. Employer Identification No.)
15635 Alton Parkway, Suite 250 **Irvine, California** (Address of principal executive offices)	**92618** (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 June 21, 2022 was 36,157,466.

CALAMP CORP.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED MAY 31, 2022

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

Assets	May 31, 2022	February 28, 2022
Current assets:		
Cash and cash equivalents	$ 59,040	$ 79,221
Accounts receivable, net	66,049	61,544
Inventories	19,281	18,269
Prepaid expenses and other current assets	23,973	22,348
Total current assets	168,343	181,382
Property and equipment, net	37,217	37,674
Operating lease right-of-use assets	11,406	12,327
Deferred income tax assets	3,894	4,165
Goodwill	94,193	94,436
Other intangible assets, net	30,553	31,965
Other assets	29,187	29,632
Total assets	$ 374,793	$ 391,581
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 2,264	$ 2,585
Accounts payable	28,954	31,815
Accrued payroll and employee benefits	9,620	10,929
Deferred revenue	23,691	26,174
Other current liabilities	21,052	18,951
Total current liabilities	85,581	90,454
Long-term debt, net of current portion	226,906	189,703
Operating lease liabilities	12,091	13,382
Other non-current liabilities	21,626	22,640
Total liabilities	346,204	316,179
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; 36,156 and 36,052 shares issued and outstanding at May 31, 2022 and February 28, 2022, respectively	362	361
Additional paid-in capital	177,917	242,386
Accumulated deficit	(148,499)	(165,965)
Accumulated other comprehensive loss	(1,191)	(1,380)
Total stockholders' equity	28,589	75,402
Total liabilities and stockholders' equity	$ 374,793	$ 391,581

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 May 31,	
	2022	**2021**
Revenues:		
Products	$ 39,395	$ 51,997
Application subscriptions and other services	25,331	27,677
Total revenues	64,726	79,674
Cost of revenues:		
Products	25,735	33,654
Application subscriptions and other services	13,344	13,573
Total cost of revenues	39,079	47,227
Gross profit	25,647	32,447
Operating expenses:		
Research and development	7,000	6,940
Selling and marketing	11,478	12,462
General and administrative	15,162	13,022
Intangible asset amortization	1,342	1,253
Total operating expenses	34,982	33,677
Operating loss	(9,335)	(1,230)
Non-operating income (expense):		
Investment income (loss)	(114)	648
Interest expense	(1,533)	(3,849)
Other expense, net	(942)	(1,276)
Total non-operating expenses	(2,589)	(4,477)
Loss from continuing operations before income taxes	(11,924)	(5,707)
Income tax provision from continuing operations	(249)	(293)
Net loss from continuing operations	(12,173)	(6,000)
Net income from discontinued operations, net of tax	—	4,052
Net loss	$ (12,173)	$ (1,948)
Loss per share - continuing operations:		
Basic	$ (0.34)	$ (0.17)
Diluted	$ (0.34)	$ (0.17)
Earnings per share - discontinued operations:		
Basic	$ -	$ 0.11
Diluted	$ -	$ 0.11
Shares used in computing earnings (loss) per share:		
Basic	35,723	34,844
Diluted	35,723	34,844
Comprehensive income (loss):		
Net loss	$ (12,173)	$ (1,948)
Other comprehensive income (loss):		
Foreign currency translation adjustments	189	906
Total comprehensive loss	$ (11,984)	$ (1,042)

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended May 31,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (12,173)	$ (1,948)
Less: Net income from discontinued operations, net of tax	-	4,052
Net loss from continuing operations	(12,173)	(6,000)
Adjustments to reconcile net loss from continuing operations to net cash provided by (used in) operating activities:		
Depreciation expense	4,156	4,230
Intangible asset amortization	1,342	1,253
Stock-based compensation	2,960	2,472
Amortization of debt issuance costs and discount	304	2,606
Noncash operating lease cost	893	754
Revenue assigned to factors	(784)	(1,365)
Deferred tax assets, net	109	163
Other	-	215
Changes in operating assets and liabilities of continuing operations:		
Accounts receivable	(4,754)	(972)
Inventories	(1,105)	5,851
Prepaid expenses and other assets	(1,252)	(334)
Accounts payable	(2,692)	(6,745)
Accrued liabilities	1,428	2,346
Deferred revenue	(2,662)	(2,813)
Operating lease liabilities	(1,320)	(1,188)
Net cash provided by (used in) operating activities - continuing operations	(15,550)	473
Net cash used in operating activities - discontinued operations	-	(395)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(15,550)	78
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(3,630)	(3,093)
Net cash used in investing activities - continuing operations	(3,630)	(3,093)
Net cash provided by investing activities - discontinued operations	—	6,616
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(3,630)	3,523
CASH FLOWS FROM FINANCING ACTIVITIES:		
Taxes paid related to net share settlement of vested equity awards	(425)	(1,061)
Proceeds from exercise of stock options and contributions to employee stock purchase plan	-	248
NET CASH USED IN FINANCING ACTIVITIES	(425)	(813)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(576)	(1,228)
Net change in cash and cash equivalents	(20,181)	1,560
Cash and cash equivalents at beginning of period	79,221	94,624
Cash and cash equivalents at end of period	$ 59,040	$ 96,184

See accompanying notes to condensed consolidated financial statements.

CALAMP CORP.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Three Months Ended May 31,	
	2022	**2021**
Total stockholders' equity, beginning balances	$ 75,402	$ 95,085
Common stock and additional paid-in capital:		
Beginning balances	242,747	234,044
Cumulative-effect adjustment related to the adoption of ASU 2020-06	(67,003)	—
Stock-based compensation expense	2,960	2,497
Shares issued on net share settlement of equity awards	(425)	(1,061)
Exercise of stock options and contributions to employee stock purchase plan	—	248
Ending balances	178,279	235,728
Accumulated deficit:		
Beginning balances	(165,965)	(137,974)
Cumulative-effect adjustment related to the adoption of ASU 2020-06	29,639	—
Net loss	(12,173)	(1,948)
Ending balances	(148,499)	(139,922)
Accumulated other comprehensive income (loss):		
Beginning balances	(1,380)	(985)
Foreign currency translation adjustments	189	906
Ending balances	(1,191)	(79)
Total stockholders' equity, ending balances	$ 28,589	$ 95,727

See accompanying notes to condensed consolidated financial statements.

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.

Recent Events

COVID-19

In March 2020, the World Health Organization declared COVID-19 ("COVID-19" or the "pandemic") to be a public health pandemic of international concern, which has led to adverse impacts on the U.S. and global economies and continues to impact our supply chain and operations. More recently, we have experienced supply shortages as a result of global supply imbalances driven by component shortages, disruptions in accessible labor, other freight and logistical challenges and other related macro-economic factors. These supply imbalances negatively impacted all parts of our business during fiscal 2022 and have continued into fiscal 2023. It is difficult to predict the extent to which these factors will continue to impact our future business or operating results, which are highly dependent on uncertain future developments, including the severity of the continuing pandemic, the actions taken or to be taken by governments and private businesses in relation to the resolution of supply chain issues and component shortages. Because our business is dependent on telematics product sales, device installations and related subscription-based services, the ultimate effect of these factors may not be fully reflected in our operating results until future periods.

Transition of MRM Telematics Customers to Subscription Arrangements

In the second half of fiscal 2022, we prompted a strategic shift with customers who have historically purchased Mobile Resource Management ("MRM") telematics devices from us. These customers are being transitioned to subscription-based arrangements by way of bundling services with telematics devices under multi-year (generally three years) subscription contracts. Our plan is to transition the MRM business to multi-year subscription contracts over the course of fiscal 2023. As a result, our financial results associated with such subscription arrangements will be reported within our Software & Subscription Services reporting segment prospectively from the effective date of such underlying contracts. In the short term, we expect that this will lead to significant growth in our Software & Subscription Services business with a corresponding decline in our Telematics Products business. Long term we believe this shift will allow us to drive revenue growth as we generate incremental revenue from our existing customer base as well as new customers through current and anticipated broader future subscription service offerings.

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 May 31, 2022 and our results of operations for the three months ended May 31, 2022 and 2021. The results of operations for such periods are not necessarily indicative of results to be expected for the full fiscal year ending February 28, 2023.

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, 2022 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 2022 Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission ("SEC") on April 28, 2022.

All intercompany transactions and accounts have been eliminated in consolidation.

Effective March 15, 2021, the Company and Spireon Holdings, L.P. ("Spireon") entered into a purchase agreement pursuant to which we sold certain assets and transferred certain liabilities of the LoJack U.S. and Canadian SVR ("LoJack North America") business to Spireon for a purchase price of $8.0 million. Operations for LoJack North America are presented as *discontinued operations* in the accompanying condensed consolidated financial statements for the three months ended May 31, 2021. See Note 2, *Discontinued Operations*, 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 months ended and as of May 31, 2022 in making accounting judgements, estimates and disclosures. We are monitoring the potential effects of the health care related and economic conditions of COVID-19 in assessing certain matters including (but not limited to) supply chain disruptions, decreases in customer demand for our products and services, potential longer-term effects on our customer and distribution channels particularly in the U.S. and relevant end markets as well as

other developments. If the impact results in longer term closures of businesses and economic recessionary conditions, we may recognize material asset impairments and charges for uncollectible accounts receivable in future periods.

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. 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.

As described above, we are in the process of transitioning our MRM customer base to subscription arrangements. This transition may have an impact on our future determinations around contractual performance obligations as we anticipate selling fewer telematics products that do not include related subscription services.

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 on 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 months ended May 31, 2022, we recognized $8.5 million in revenue from the deferred revenue balance of $39.7 million as of February 28, 2022.

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. Prepaid sales commissions included in prepaid expenses and other current assets and other assets were $1.7 million and $2.8 million, respectively, as of May 31, 2022.

We disaggregate revenue from contracts with customers into reportable segments, geography, type of goods and services and timing of revenue recognition. See Note 14, *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 May 31,	
	2022	2021
Revenue by type of goods and services:		
Telematics devices and accessories	$ 39,395	$ 51,997
Rental income and other services	4,270	3,610
Recurring application subscriptions	21,061	24,067
Total	$ 64,726	$ 79,674

	Three Months Ended May 31,	
	2022	2021
Revenue by timing of revenue recognition:		
Revenue recognized at a point in time	$ 41,489	$ 54,704
Revenue recognized over time	23,237	24,970
Total	$ 64,726	$ 79,674

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 May 31, 2022 and February 28, 2022, we have estimated remaining performance obligations for contractually committed revenues of $216.4 million and $202.0 million respectively. As of May 31, 2022, we expect to recognize approximately 37% of the revenue under these remaining performance obligations in fiscal 2023 and 27% in fiscal 2024. As of February 28, 2022, we expected to recognize approximately 47% of the then remaining performance obligations in fiscal 2023 and 24% in fiscal 2024. 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. 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.

Due to the COVID-19 pandemic and other related macro-economic factors, there has been uncertainty and disruption in the global economy and financial markets. Except for the increase in expected credit losses, we are not aware of any specific event or circumstances that would require an update to our estimates or assumptions or a revision of the carrying value of our assets or liabilities as of the date of this quarterly report. These estimates and assumptions may change as new events occur and additional information is obtained. As a result, actual results could differ materially from these estimates and assumptions.

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 15, *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 $2.6 million and $2.6 million as of May 31, 2022 and February 28, 2022, 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.

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 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.

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 ($0.3) million and $0.1 million for the three months ended May 31, 2022 and 2021, respectively.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of two components, net income (loss) and other comprehensive income (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 income (loss). Our OCI consists of foreign currency translation adjustments from those subsidiaries not using the U.S. dollar as their functional currency.

Recently Adopted Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)*, which removes certain separation models for convertible debt instruments and convertible preferred stock that require the separation of a convertible debt instrument into a debt component and an equity or derivative component. Specifically, the new pronouncement removes the separation models for convertible debt with a cash conversion feature or convertible instruments with a beneficial conversion feature. We adopted ASU 2020-06 effective March 1, 2022, the beginning of fiscal 2023, utilizing the modified retrospective approach whereby the cumulative effect of the change in accounting was recognized as an adjustment to the opening balance of retained earnings (accumulated deficit) at the date of adoption. Comparative information has not been restated and continues to be presented in accordance with accounting standards that were in effect for those periods.

Prior to the adoption of ASU 2020-06, we allocated the gross proceeds of the Convertible Notes between the liability and equity components under the cash conversion feature model using the accounting rules in GAAP (ASC 470-20). The carrying amount of the liability component was calculated based on the fair value of a similar debt instrument excluding the embedded conversion option at the issuance date. The carrying

amount of the equity component representing the conversion option was calculated by deducting the carrying value of the liability component from the principal amount of the notes as a whole. This difference represented a debt discount and was being amortized to interest expense over the term of the notes using the effective interest rate method. The equity component of the notes was included in stockholders' equity and was not remeasured as long as it continued to meet the conditions for equity classification.

Effective March 1, 2022, we no longer separately present in equity an embedded conversion feature of such debt. Instead, we account for a convertible debt instrument wholly as debt unless (i) the convertible debt instrument contains features that require bifurcation as a derivative or (ii) the convertible debt instrument was issued at a substantial premium. Prior to the adoption of ASU 2020-06, debt issuance costs attributable to the liability component were amortized to interest expense using the effective interest method and debt issuance costs attributable to the equity component were netted with the equity component in stockholders' equity. Upon adoption, the entire amount of debt issuance costs is reflected as a contra-liability and amortized as interest expense using the effective interest method over the respective term of the notes. We account for the cost of the capped calls as a reduction to additional paid-in capital.

After adopting the new guidance, the use of the if-converted method is required when calculating diluted earnings per share ("EPS") for convertible instruments and the treasury stock method should no longer be used. Under the new guidance, convertible instruments that may be settled in cash or shares are to be included in the calculation of diluted EPS if the effect is more dilutive, with no option for rebutting the presumption of share settlement based on stated policy or past experience. If we make an irrevocable election to settle the principal of the Convertible Notes in cash and the excess conversion spread in shares, the if-converted method will result in a reduced number of shares issued to reflect only the excess conversion.

The below adoption adjustments were calculated based on the carrying amount of the Convertible Notes as if it had always been treated as a liability only. Furthermore, these adjustments address the debt issuance costs contra-liability and equity (additional paid-in capital) components under the same premise (i.e., as if the total amount of debt issuance costs had always been treated as a contra-liability only). Lastly, we derecognized the deferred income taxes associated with the debt discount and adjusted deferred income taxes relative to unamortized debt issuance costs associated with the Convertible Notes. This resulted in a net increase in gross deferred tax assets of $9.4 million but no impact to the net deferred tax asset balance due to the valuation allowance recorded against our deferred tax assets. We expect lower interest expense related to the Convertible Notes to be recognized in future periods subsequent to adoption as a result of accounting for the Convertible Notes as a single liability measured at amortized cost.

The following table summarizes the impact of the adoption of ASU 2020-06 on our consolidated balance sheet on March 1, 2022 (in thousands).

	February 28, 2022 As Reported	ASU 2020-06 Adoption Impact	March 1, 2022 As Adjusted
Deferred income tax assets, net	$ 4,165	$ -	4,165
Total debt (1)	192,288	37,365	229,653
Additional paid-in-capital	242,386	(67,003)	175,383
Accumulated deficit	$ (165,965)	$ 29,639	$ (136,326)

(1) Prior to adoption, the carrying value of convertible debt represented the principal amount less unamortized debt discount and unamortized debt issuance costs. After adoption, the carrying value of convertible debt represents the principal amount less unamortized debt issuance costs.

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 – DISCONTINUED OPERATIONS

Effective March 15, 2021, a wholly owned subsidiary of the Company and Spireon entered into an agreement ("Sale Agreement") pursuant to which we sold certain assets and transferred certain liabilities of the LoJack North America business ("LoJack Transaction") for an upfront cash purchase price of approximately $8.0 million. We received net proceeds of $6.6 million, based on an estimate of certain adjustments to the gross purchase price as of the closing date. On November 9, 2021, the purchase price was reduced by $0.9 million, which was paid to Spireon, due to final working capital adjustments. We recognized a gain on the sale of the LoJack North America business of $4.1 million during the year ended February 28, 2022.

Concurrent with the closing of the transaction, we also entered into a Transition Services Agreement (the “TSA”) to provide support to Spireon in the transition of customers to its telematics solution and to provide recovery services to the existing installed base of LoJack North America customers, as an agent of Spireon, for a period of six months commencing March 15, 2021. Subsequently, the transition period was extended and then effectively terminated on March 31, 2022. As consideration for these services, Spireon reimbursed us for the direct and certain indirect costs, as well as certain overhead or administrative expenses related to operating the business. Additionally, we entered into a services agreement that commenced April 1, 2022 upon the expiration of the TSA, under which we will provide certain services related to the LoJack North America tower infrastructure for a period no longer than forty-eight months. As consideration for these services, Spireon will pay us a monthly service fee over the stipulated contract term. Further, we entered into a license agreement pursuant to which we license certain intellectual property rights related to the LoJack North America business in the U.S. and Canada to Spireon. In connection with the services provided to Spireon during the three months ended May 31, 2022, we incurred a total cost of $1.3 million of which $0.5 million was billed to Spireon for the services under the TSA and the net amount of $0.8 million is included as a component of other expense in the condensed consolidated statement of comprehensive loss as these costs represent non-operating expenses. During the three months ended March 31, 2021, we incurred a total cost of $2.0 million of which $0.7 million was billed to Spireon for services under the TSA and the net amount of $1.3 million is included in the within other expense in the condensed consolidated statement of comprehensive loss.

The operating results and cash flows related to the LoJack North America operations are reflected as discontinued operations in the unaudited condensed consolidated statements of comprehensive loss for the three months ended May 31, 2021, and the unaudited condensed consolidated statements of cash flows for the three months ended May 31, 2021. For the three months ended May 31, 2021, we have reported the operating results and cash flows related to the LoJack North America operations through March 14, 2021:

The amounts in the statement of operations that are included in discontinued operations are summarized in the following table (in thousands):

	Three Months Ended May 31, 2021
Revenues	$ 823
Cost of revenues	950
Gross profit (loss)	(127)
Operating expenses:	
Research and development	32
Selling and marketing	167
General and administrative	75
Intangible asset amortization	141
Restructuring	404
Impairment losses	—
Total operating expenses	819
Operating loss from discontinued operations	(946)
Gain on sale of discontinued operations	4,998
Net income from discontinued operations, net of tax	$ 4,052

The amounts in the statement of cash flows that are included in discontinued operations are summarized in the following table (in thousands):

	Three Months Ended May 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income from discontinued operations, net of tax	$ 4,052
Adjustments to reconcile net income from discontinued operations to net cash used in operating activities:	
Intangible asset amortization	141
Stock-based compensation	25
Gain on sale of discontinued operations	(4,998)
Changes in operating assets and liabilities:	
Accounts receivable	452
Inventories	425
Prepaid expenses and other current assets	4
Accounts payable	(331)
Accrued liabilities	(135)
Deferred revenue	(30)
NET CASH USED IN OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	(395)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net proceeds from sale of discontinued operations	6,616
NET CASH PROVIDED BY INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	6,616
Net change in cash and cash equivalents	$ 6,221

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

	As of May 31, 2022				
				Balance Sheet Classification of Fair Value	
	Cost	Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents	Other Assets
Cash	$ 38,175	$ —	$ 38,175	$ 38,175	$ —
Level 1:					
Money market funds	365	—	365	365	—
Mutual funds (1)	1,041	55	1,096	—	1,096
Level 2:					
Repurchase agreements	20,500	—	20,500	20,500	—
Total	$ 60,081	$ 55	$ 60,136	$ 59,040	$ 1,096

	As of February 28, 2022				
				Balance Sheet Classification of Fair Value	
	Cost	Unrealized Gains (Losses)	Fair Value	Cash and Cash Equivalents	Other Assets
Cash	$ 28,394	$ —	$ 28,394	$ 28,394	$ —
Level 1:					
Money market funds	7,327	—	7,327	7,327	—
Mutual funds (1)	851	107	958	—	958
Level 2:					
Repurchase agreements	43,500	—	43,500	43,500	—
Total	$ 80,072	$ 107	$ 80,179	$ 79,221	$ 958

(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. As of May 31, 2022, the cash surrender value of COLI was $5.9 million.

NOTE 4 - INVENTORIES

Inventories consist of the following (in thousands):

	May 31, 2022	February 28, 2022
Raw materials	$ 6,331	$ 6,090
Finished goods	12,950	12,179
	$ 19,281	$ 18,269

NOTE 5 – GOODWILL AND OTHER INTANGIBLE ASSETS

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

		Gross (2)			Accumulated Amortization (2)			Net	
	Useful Life	Feb. 28, 2022	Additions & Adjustments, net (1)	May 31, 2022	Feb. 28, 2022	Expense	May 31, 2022	Feb. 28, 2022	May 31, 2022
Developed technology	4-6 years	$ 26,958	(49)	$ 26,909	$ 25,470	$ 316	$ 25,786	$ 1,488	$ 1,123
Tradenames	10 years	30,192	(92)	30,100	20,571	533	21,104	9,621	8,996
Customer relationships	10-15 years	35,404	71	35,475	14,883	490	15,373	20,521	20,102
Patents	5 years	589	—	589	254	3	257	335	332
		$ 93,143	$ (70)	$ 93,073	$ 61,178	$ 1,342	$ 62,520	$ 31,965	$ 30,553

(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 $23.0 million at May 31, 2022 and February 28, 2022.

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 from continuing operations was $1.3 million and $1.3 million for the three months ended May 31, 2022 and 2021, respectively.

Estimated future amortization expense as of May 31, 2022 is as follows (in thousands):

2023 (remainder)	$	4,203
2024		4,529
2025		4,414
2026		4,122
2027		2,501
Thereafter		10,784
	$	30,553

Changes in goodwill are as follows (in thousands):

	Software & Subscription Services	Telematics Products	Total
Balance as of February 28, 2022	$ 55,256	$ 39,180	$ 94,436
Effect of exchange rate change on goodwill	(243)	—	(243)
Balance as of May 31, 2022	$ 55,013	$ 39,180	$ 94,193

As further described in Note 1 under the caption *Transition of MRM Telematics Customers to Subscription Arrangements*, we have begun entering into subscription arrangements with customers who have historically purchased MRM telematics products from us, which is expected to result in growth in Software & Subscription Services revenues and a corresponding decline in Telematics Products revenues as we transition the MRM telematics business to long-term subscription contracts. This transition is expected to be completed throughout Fiscal 2023. As a result of this strategic shift, we anticipate that the goodwill presently associated with our Telematics Products reporting unit will be re-allocated to our other reporting units in Fiscal 2023 at such time that this customer transition is substantially complete.

NOTE 6 – OTHER ASSETS

Other assets consist of the following (in thousands):

	May 31, 2022	February 28, 2022
Deferred product cost	$ 1,278	$ 1,493
Deferred compensation plan assets	6,950	7,215
Lease receivables, non-current	15,270	15,118
Prepaid commissions	2,793	2,894
Other	2,896	2,912
	$ 29,187	$ 29,632

NOTE 7 – FINANCING ARRANGEMENTS

The following table provides a summary of our debt as of May 31, 2022 and February 28, 2022 (in thousands):

	Maturity Date	Effective Interest Rate	May 31, 2022	February 28, 2022
2025 Convertible Notes, 2.00% fixed rate (2)	August 1, 2025	2.49%	230,000	230,000
Due to factors under revenue assignments	2020 - 2024	4.70%	3,044	3,829
Total term debt			233,044	233,829
Unamortized discount and issuance costs (1)			(3,874)	(41,541)
Less: Current portion of long-term term debt			(2,264)	(2,585)
Long-term debt, net of current portion			$ 226,906	$ 189,703

(1) The debt discount associated with the Convertible Notes and related unamortized debt issuance costs as of May 31, 2022 reflects the adoption impact of ASU 2020-06 effective March 1, 2022. See Note 1, *Significant Accounting Policies – Recent Accounting Pronouncements*, for further information regarding the adoption of ASU 2020-06.

(2) The effective interest rate was 7.56% prior to the adoption of ASU 2020-06.

The effective interest rates for the convertible notes include the interest on the notes and amortization of the debt issuance costs. As of May 31, 2022 and February 28, 2022, the fair value of the 2025 Convertible Notes were $205 million and $209 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.

In accounting for the issuance of the 2025 Convertible Notes prior to the adoption of ASU 2020-06, we allocated the gross proceeds of the Notes between the liability and equity components under the cash conversion feature model using the accounting rules in GAAP (ASC 470-20). The carrying amount of the liability component was calculated by measuring the fair value of a similar debt instrument without the associated convertible feature. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability component from the principal amount of the notes as a whole. The equity component was not re-measured as long as it continued to meet the conditions for equity classification. The excess of the principal amount of the liability component over its carrying amount (i.e., the debt discount) was amortized to interest expense using the effective interest method. Approximately $51.9 million, net of tax, was allocated to additional paid-in-capital upon issuance of these notes.

Upon adoption of ASU 2020-06 on March 1, 2022, we reversed the separation of the debt and equity components and accounted for the Convertible Notes wholly as debt. We also reversed the amortization of the debt discount, with a cumulative effect adjustment to retained earnings (accumulated deficit) on the adoption date. Prior to the adoption of this pronouncement, debt issuance costs attributable to the liability component were being amortized to interest expense using the effective interest method and debt issuance costs attributable to the equity component were netted with the equity component in stockholders' equity. Effective March 1, 2022, we reversed the debt issuance costs attributable to the equity component and account for the entire amount as debt issuance costs that will be amortized as interest expense using the effective interest method, with a cumulative effect adjustment to retained earnings (accumulated deficit) on the adoption date. See Note 1, *Significant Accounting Policies – Recent Accounting Pronouncements*, for further information regarding the adoption of ASU 2020-06 and Note 10, *Earnings Per Share*, for a description of the dilutive nature of the Convertible Notes.

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 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.

Revolving Credit Facility

On March 30, 2018, we entered into a revolving credit facility with JP Morgan Chase Bank, N.A. that provided for borrowings up to $50 million and was set to expire on March 30, 2022. We entered into an amendment to extend the term of this credit facility to June 30, 2022. At our election, the borrowings under this revolving credit facility bear interest at (a) for base rate loans, a base rate based on the highest of (i) 0%, (ii) the rate of interest publicly announced by JP Morgan Chase Bank, N.A. (the "Agent") as its prime rate in effect at its principal office in New York City, (iii) the overnight bank funding rate as determined by the Federal Reserve Bank of New York plus 0.50% and (iv) the LIBOR-based rate for a one-month interest period on such day plus 1%; or (b) for Eurodollar loans, the higher of (x) 1.00% and (y) the LIBOR-based rate for one, three or nine months (as selected by the Company) for Eurodollar deposits. An applicable margin is added based on the Company's senior leverage ratio, ranging from 1.50% to 2.00% for base rate loans, and from 2.50% to 3.00% for Eurodollar loans. We also pay a commitment fee based on our senior leverage ratio ranging from 0.40% to 0.50%, payable quarterly in arrears, on the average daily unused amount of the Credit Facility. Amounts owing under the credit agreement and related credit documents 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 net proceeds available under the revolving credit facility could be used for repayment of existing debt, working capital and general corporate purposes. There were no borrowings outstanding under this revolving credit facility at May 31, 2022.

The revolving credit facility contains certain negative and affirmative covenants including financial covenants that require us to maintain a minimum level of earnings before interest, income taxes, depreciation, amortization and other non-cash charges (Adjusted EBITDA) to interest ratio, a minimum senior indebtedness ratio and a total indebtedness coverage ratio, all measured on a quarterly basis. As of May 31, 2022, we were in violation of the total indebtedness coverage ratio covenant under the revolving credit facility. However, as noted above, there were no borrowings outstanding under this revolving credit facility at May 31, 2022, and we are presently in negotiations to enter into a new revolving credit facility.

NOTE 8 – LEASES

We have various non-cancelable operating leases for our offices in California, Texas, Massachusetts, Indiana, Minnesota and Virginia in the United States, and Italy, Mexico and the United Kingdom. We also have various non-cancelable operating leases for towers and vehicles throughout the United States, Italy and Mexico. These leases expire at various times through 2033. Certain lease agreements contain renewal options, rent abatement, and escalation clauses that are factored into our determination of lease payments when appropriate.

The table below presents lease-related assets and liabilities recorded on the condensed consolidated balance sheet (in thousands):

	May 31, 2022	February 28, 2022
Assets		
Operating lease right-of-use assets	$ 11,406	$ 12,327
Liabilities		
Operating lease liabilities (current)	$ 5,090	$ 5,086
Operating lease liabilities (non-current)	12,091	13,382
Total lease liabilities	$ 17,181	$ 18,468

Lease Costs

The following lease costs were included in our condensed consolidated statements of comprehensive loss as follows (in thousands):

	Three months ended May 31,	
	2022	2021
Operating lease cost	$ 1,119	$ 1,131
Short-term lease cost	36	17
Variable lease cost	35	102
Total lease cost	$ 1,190	$ 1,250

Supplemental Information

The table below presents supplemental information related to operating leases (in thousands, except weighted-average information):

	Three Months Ended May 31,	
	2022	2021
Cash paid for amounts included in the measurement of operating lease liabilities	$ 1,488	$ 1,425
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 11	$ 18
Weighted average remaining lease term	3.7 years	4.6 years
Weighted average discount rate	5.17%	5.36%

Undiscounted Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five fiscal years and total of the remaining years to the operating lease liabilities recorded on the condensed consolidated balance sheet as of May 31, 2022 (in thousands):

Remainder of 2023	$	4,373
2024		5,532
2025		3,934
2026		3,071
2027		1,320
Thereafter		477
Total minimum lease payments		18,707
Less imputed interest		(1,526)
Present value of future minimum lease payments		17,181
Less current obligations under leases		(5,090)
Long-term lease obligations	$	12,091

NOTE 9 - 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 $0.2 million and $0.3 million for the three months ended May 31, 2022 and 2021, respectively, was primarily attributable to one of our foreign subsidiaries. Any income tax benefit associated with the pre-tax loss for the quarter ended May 31, 2022, resulting primarily from the U.S. jurisdiction, is offset by a full valuation allowance.

NOTE 10 - 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 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 May 31,			
	2022		**2021**	
Net loss from continuing operations	$	(12,173)	$	(6,000)
Net income from discontinued operations, net of tax		-		4,052
Net loss	$	(12,173)	$	(1,948)
Basic weighted average number of common shares outstanding		35,723		34,844
Effect of stock options and restricted stock units computed on treasury stock method		—		—
Diluted weighted average number of common shares outstanding		35,723		34,844
Basic net income (loss) per common share:				
Loss from continuing operations	$	(0.34)	$	(0.17)
Income from discontinued operations	$	-	$	0.11
Diluted net income (loss) per common share:				
Loss from continuing operations	$	(0.34)	$	(0.17)
Income from discontinued operations	$	-	$	0.11

All outstanding options and restricted stock units for the three months ended May 31, 2022 and 2021 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.

We adopted ASU 2020-06 on March 1, 2022 under the modified retrospective method and applied the new guidance to our 2025 Convertible Notes outstanding as of that date. We have not changed previously disclosed amounts or provided additional disclosures for comparative periods. ASU 2020-06 requires the if-converted method to be applied for all convertible instruments when calculating diluted earnings per share. Under the if-converted method, diluted earnings per share will be calculated assuming that all the Convertible Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive. Since we had a net loss for the three months ended May 31, 2022, the 2025 Convertible Notes were determined to be anti-dilutive and therefore had no impact to basic or diluted net loss per share for the period as a result of adopting the new pronouncement.

NOTE 11 – 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 May 31,	
	2022	2021
Cost of revenues	$ 55	$ (6)
Research and development	764	710
Selling and marketing	560	644
General and administrative	1,581	1,060
Other non-operating expense	—	64
	$ 2,960	$ 2,472

Changes in our outstanding stock options during the three months ended May 31, 2022 were as follows (options in thousands):

	Number of Options	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding at February 28, 2022	664	$ 16.38	5.4	
Granted	—	—		
Exercised	—	—		
Forfeited or expired	—	—		
Outstanding at May 31, 2022	664	$ 16.38	5.1	$ —
Exercisable at May 31, 2022	556	$ 15.98	4.9	$ —

Changes in our outstanding restricted stock shares, performance stock units ("PSUs") and restricted stock units ("RSUs") during the three months ended May 31, 2022 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
Outstanding at February 28, 2022	2,940	$ 10.39	
Granted	97	6.72	
Vested	(187)	9.92	82
Forfeited	(109)	10.68	
Outstanding at May 31, 2022	2,741	$ 10.28	

As of May 31, 2022, there was $17.9 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 years.

NOTE 12 - 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 15% and 22% of our consolidated revenue for the three months ended May 31, 2022 and 2021, respectively. The same customer accounted for 12% and 12% of our consolidated accounts receivable at May 31, 2022 and February 28, 2022, 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. 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 May 31,	
	2022	2021
Inventory purchases:		
Supplier A	11%	20%
Supplier B	11%	13%
Supplier C	25%	14%
Supplier D	10%	15%

	May 31, 2022	February 28, 2022
Accounts payable:		
Supplier A	8%	3%
Supplier B	10%	15%
Supplier C	12%	11%
Supplier D	9%	7%

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.

NOTE 13 – OTHER FINANCIAL INFORMATION

Supplemental Balance Sheet Information

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

	May 31, 2022	February 28, 2022
Operating lease liabilities	$ 5,090	$ 5,086
Warranty reserves	1,868	1,823
Customer deposits	1,837	2,586
Omega litigation reserve	4,900	3,000
Other (1)	7,357	6,456
	$ 21,052	$ 18,951

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

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

	May 31, 2022	February 28, 2022
Deferred revenue	$ 12,679	$ 13,496
Deferred compensation plan liability	6,563	6,800
Deferred tax liability	224	216
Other	2,160	2,128
	$ 21,626	$ 22,640

Supplemental Statement of Comprehensive Loss Information

Interest expense consists of the following (in thousands):

	Three Months Ended May 31,	
	2022	2021
Interest expense on 2025 Convertible Notes:		
Stated interest at 2.000% per annum	$ 1,176	1,176
Amortization of discount and issue costs (1)	267	2,517
	1,443	3,693
Other interest expense	90	156
Total interest expense	$ 1,533	$ 3,849

(1) We adopted ASU 2020-06 during the first quarter of fiscal 2023 using the modified retrospective method. Accordingly, prior year reported amounts were not revised.

Supplemental Cash Flow Information

"Net cash provided by operating activities" includes cash payments for interest expense and income taxes as follows (in thousands):

	Three Months Ended May 31,	
	2022	2021
Interest expense paid	$ 50	$ 50
Income tax paid, net of refunds	$ 50	$ 249

NOTE 14 - 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 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 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 May 31, 2022				Three Months Ended May 31, 2021			
	Reportable Segments				Reportable Segments			
	Software & Subscription Services	Telematics Products	Corporate Expenses	Total	Software & Subscription Services	Telematics Products	Corporate Expenses	Total
Revenues	$ 39,557	$ 25,169		$ 64,726	$ 35,043	$ 44,631		$ 79,674
Gross profit	$ 18,058	$ 7,589		$ 25,647	$ 16,822	$ 15,625		$ 32,447
Gross margin	46%	30%		40%	48%	35%		41%
Adjusted EBITDA	$ 3,955	$ (747)	$ (1,352)	$ 1,856	$ 5,894	$ 3,632	$ (1,141)	$ 8,385

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.

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 U.S. generally accepted accounting principles ("GAAP") to calculate Adjusted EBITDA are itemized below (in thousands):

	Three Months Ended May 31,	
	2022	2021
Net loss	$ (12,173)	$ (1,948)
Less: net income from discontinued operations	-	4,052
Net loss from continuing operations	$ (12,173)	$ (6,000)
Investment income (loss)	114	(648)
Interest expense	1,533	3,849
Income tax provision	249	293
Depreciation	4,156	4,230
Amortization of intangible assets	1,342	1,253
Stock-based compensation	2,960	2,472
Litigation and non-recurring legal expenses	3,131	648
Costs incurred in transition of LoJack North America business to acquiror	752	1,233
Other	(208)	1,055
Adjusted EBITDA	$ 1,856	$ 8,385

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 May 31,	
	2022	2021
United States	$ 40,402	$ 51,200
EMEA	12,539	14,475
LATAM	5,977	6,525
APAC	5,219	5,401
All other	589	2,073
	$ 64,726	$ 79,674

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. No single non-U.S. country accounted for more than 10% of our revenue in the three months ended May 31, 2022 and 2021.

NOTE 15 – LEGAL PROCEEDINGS

Omega patent infringement claim

On April 28, 2022, we filed our Form 10-K for the fiscal year ended February 28, 2022 which disclosed the current status of the Omega Patents LLC ("Omega") patent infringement claim. In summary, on September 14, 2021, the U.S. Court of Appeals issued its decision and affirmed the judgment by the Trial Court of infringement by CalAmp with respect to the 8,032,278 patent; however the U.S. Court of Appeal upheld CalAmp's appeal on damages, vacated the damages award of the Trial Court and remanded the case back to the Trial Court for a new trial on damages only.

On January 17, 2022, Omega filed a Motion to Reopen Discovery For Limited Purpose and to Permit a Supplement to the Damages Expert Report and we filed a response opposing Omega's motion on February 9, 2022. A Pretrial Conference was held on January 19, 2022. The Trial Court granted Omega's motion on March 16, 2022 to reopen discovery for certain purposes and permitted the parties to supplement damages expert reports. The parties commenced a mediation on April 12, 2022, and on May 17, 2022, CalAmp and Omega 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, and seeks (a) an investigation and a hearing under the Tariff Act for unlawful importation of allegedly infringing product, (b) an exclusion order excluding entry into the U.S. of all allegedly infringing communication modules, and (c) a permanent cease and desist order barring the importation, marketing, advertising, and sale of allegedly infringing products in the U.S.

All four proceedings are currently pending. All three cases pending in U.S. District Court for the District of Delaware are stayed until a final determination in the ITC. 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 administrative law judge determined that a violation of section 337 has not occurred with respect to any of the asserted patents. On April 13, 2022, Philips filed a Petition for Commission Review of the ALJ's Initial Determination, and Respondents responded to Philips' Petition on April 21, 2022. The target date for issuance of a Final Decision is August 1, 2022.

We believe that we have strong non-infringement and invalidity defenses should the Delaware district court cases proceed. 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 all proceedings, 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.

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"). 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, 2022, as filed with the U.S. Securities and Exchange Commission (the "SEC") on April 28, 2022, 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. We are a global organization that is headquartered in Irvine, California. We have two reportable segments, Software & Subscription Services and Telematics Products. Our organizational structure is based on a number of factors that our CEO, as the Chief Operating Decision Maker ("CODM"), uses to evaluate and operate the business, which include, but are not limited to, customer base, homogeneity of products, and technology. A description of the reportable business segments is provided below.

Software & Subscription Services

Our Software & Subscription Services segment offers 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 services within Fleet Management as well as Supply Chain Integrity and International Vehicle Location.

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. Products and sales channels 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, net income (loss) from discontinued operations, 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 14, *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

COVID-19 Impact and Supply Chain Constraints

In March 2020, the World Health Organization declared COVID-19 to be a public health pandemic of international concern, which has resulted in travel restrictions and in some cases, prohibitions of non-essential activities, disruption and shutdown of businesses and greater uncertainty in global financial markets.

Since March 2020 our revenues have been negatively impacted by COVID-19 as various small-to-medium sized customers postponed their capital expenditures due to the pandemic and related macro-economic uncertainties. More recently, we have experienced supply shortages as a result of global supply imbalances driven by the global pandemic. These global supply imbalances have negatively impacted all parts of our business, both in the form of reduced availability of components and devices as well as increased costs to procure available components and devices. It is difficult to predict the extent to which these factors will continue to impact our future business or operating results, which is highly dependent on uncertain future developments, including the severity of the continuing pandemic, the actions taken or to be taken by governments and private businesses in relation to its containment and resolution of supply chain issues and supply shortages. Because our business and operating results depend on telematics product sales, device installations and related subscription-based services, the ultimate effect of the pandemic and the current supply shortages may not be fully reflected in our operating results until future periods.

We have considered all known and reasonably available information that existed throughout the three months ended and as of May 31, 2022, in making accounting judgements, estimates and disclosures. We are monitoring the potential effects of the health care related and economic conditions of COVID-19 in assessing certain matters including (but not limited to) supply chain disruptions and inflationary impacts, decreases in customer demand for our products and services, potential longer-term effects on our customer and distribution channels particularly in the U.S. and relevant end markets as well as other developments. If the impact results in longer term closures of businesses and economic recessionary conditions, we may recognize material asset impairments and charges for uncollectible accounts receivable in future periods.

Transition of MRM Telematics Customers to Subscription Arrangements

In the second half of fiscal 2022, we prompted a strategic shift with customers who have historically purchased MRM telematics devices from us. These customers are being transitioned to new arrangements by way of bundling subscription services with telematics devices under multi-year (generally three years) subscription contracts. Our plan is to transition the entire base of MRM business to multi-year subscription contracts over the course of fiscal 2023. As a result, our financial results associated with such subscription arrangements will be reported within our Software & Subscription Services reporting segment prospectively from the effective date of such underlying contracts. In the short term, we expect that this will lead to significant growth in our Software & Subscription Services business with a corresponding decline in our Telematics Products business. Long term, we believe this shift will allow us to drive revenue growth as we generate incremental revenue from our existing customer base as well as new customers through current and anticipated broader future subscription service offerings.

Sale of LoJack North America Operations

Effective March 15, 2021, we sold certain assets and transferred certain liabilities of the LoJack North America business.

As further described in Note 2, *Discontinued Operations*, to the accompanying condensed consolidated financial statements, the LoJack North America operations are presented as discontinued operations in the accompanying condensed consolidated financial statements for the three months ended May 31, 2021. For the three months ended May 31, 2021, we have reported the operating results and cash flows related to the LoJack North America operations through March 14, 2021.

OPERATING RESULTS

Three months ended May 31, 2022 compared to three months ended May 31, 2021:

Revenue by Segment

	Three Months Ended May 31,					
	2022		2021			
(In thousands)	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**
Segment						
Software & Subscription Services	$ 39,557	61.1%	$ 35,043	44.0%	$ 4,514	12.9%
Telematics Products	25,169	38.9%	44,631	56.0%	(19,462)	(43.6%)
Total	$ 64,726	100.0%	$ 79,674	100.0%	$ (14,948)	(18.8%)

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. As described above, in the second half of fiscal 2022, we began entering into subscription-based arrangements with customers that historically purchased MRM telematics hardware from us, a shift that favorably impacts revenues in our Software & Subscription Services segment and unfavorably impacts revenues in our Telematics Products segment. This is a transition that we expect will continue throughout fiscal 2023 as we work toward transitioning the entire MRM telematics customer base into subscription arrangements. In fiscal 2022 we began experiencing supply shortages driven by the global pandemic. These supply imbalances have intensified in the past few quarters and adversely impacted all parts of our business, including particularly our Telematics Products revenues. We expect these supply shortages to continue for the foreseeable future as suppliers strive to create additional production capacity.

As of May 31, 2022, our remaining contractual performance obligations were approximately $216 million, compared to $144 million as of May 31, 2021. The majority of the growth in contractual performance obligations was driven by the conversion of telematics products customers to multi-year subscription contracts as well as new customer acquisitions within the government and municipality markets and connected car markets.

Software & Subscription Services revenue increased by $4.5 million or 12.9% for the three months ended May 31, 2022 compared to the same period last year. This increase was primarily due to a $6.4 million increase in transportation and logistics revenues. Active subscribers increased by 25% in the three months ended May 31, 2022 when compared to the prior year period. As mentioned above, supply shortages have impacted our ability to procure the devices we utilize to deliver our subscription services, which has constrained our ability to install our devices and initiate new subscription services.

Telematics Products revenue, comprised primarily of mobile resource management ("MRM") telematics and OEM/network products, decreased by $19.5 million or 43.6% for the three months ended May 31, 2022 compared to the same period last year. This decrease was largely attributable to the global supply imbalances described above, thereby limiting our ability to fulfill customer orders during the three months ended May 31, 2022. Additionally, $8.5 million of this decrease was driven by the conversion of certain MRM telematics 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. We expect the conversion of the rest of our MRM customer base to continue over the remainder of fiscal 2023 as we continue to implement our strategy to engage with our customers under subscription arrangements, which will lead to further decreases in Telematics Products segment revenues with an associated increase in Software & Subscription Services revenues.

Gross Profit by Segment

	Three Months Ended May 31,					
	2022		2021			
(In thousands)	**$**	**% of Revenue**	**$**	**% of Revenue**	**$ Change**	**% Change**
Segment						
Software & Subscription Services	$ 18,058	45.7%	$ 16,822	48.0%	$ 1,236	7.3%
Telematics Products	7,589	30.2%	15,625	35.0%	(8,036)	(51.4%)
Gross profit	$ 25,647	39.6%	$ 32,447	40.7%	$ (6,800)	(21.0%)

Consolidated gross profit decreased by $6.8 million or 21.0% for the three months ended May 31, 2022 compared to the same period last year largely due to decreased revenues in our Telematics Products business. Consolidated gross margin decreased by 110 basis points for the three months ended May 31, 2022 compared to the same period last year primarily due to an unfavorable shift in product mix coupled with increased costs incurred in the manufacture and procurement of our telematics devices.

Software & Subscription Services: Gross profit increased by $1.2 million or 7.3% for the three months ended May 31, 2022 compared to the same period last year, primarily as a result of increased revenues. Gross margin decreased by 230 basis points primarily due to subscription mix and increased costs in the manufacture and procurement of our telematics devices.

Telematics Products: Gross profit decreased by $8.0 million or 51.4% for the three months ended May 31, 2022 compared to the same period last year primarily due to decreased revenues. Gross margin decreased by 480 basis points primarily due to product mix and increased costs in the manufacture and procurement of our telematics devices. As mentioned above, we are presently experiencing adverse impacts to product sales as a result of global supply shortages of certain components, which is also leading to cost increases on many of these components. 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

	Three Months Ended May 31,					
	2022		2021			
(In thousands)	$	% of Revenue	$	% of Revenue	$ Change	% Change
Research and development	$ 7,000	10.8%	$ 6,940	8.7%	$ 60	0.9%
Selling and marketing	11,478	17.7%	12,462	15.6%	(984)	(7.9%)
General and administrative	15,162	23.4%	13,022	16.3%	2,140	16.4%
Intangible asset amortization	1,342	2.1%	1,253	1.6%	89	7.1%
Total	$ 34,982	54.0%	$ 33,677	42.2%	$ 1,305	3.9%

Consolidated research and development expense increased slightly for the three months ended May 31, 2022 compared to the same period last year due to continued development efforts around expanding our telematics service offering both domestically and internationally. Consolidated research and development expense as a percentage of revenues increased to 10.8% for the three months ended May 31, 2022 compared to 8.7% in the prior year period. We plan to continue to invest in research and development of new products and technologies.

Consolidated selling and marketing expense decreased by $1.0 million or 7.9% for the three months ended May 31, 2022 compared to the same period last year primarily due to decreased compensation costs resulting from changes in the composition of our salesforce to drive sales of our telematics subscription services.

Consolidated general and administrative expenses increased by $2.1 million or 16.4% for the three months ended May 31, 2022 compared to the same period last year primarily driven by the recording of $1.9 million of incremental litigation reserves related to the final settlement of the Omega legal matter, which is described in Note 15, *Legal Proceedings*, to the accompanying condensed consolidated financial statements.

Amortization of intangibles increased slightly for the three months ended May 31, 2022 compared to the same period last year.

Non-operating Income (Expense)

Investment income (loss) decreased to a loss of $0.1 million for the three months ended May 31, 2022 from investment income of $0.6 million for the three months ended May 31, 2021. The decrease was primarily driven by lower investment returns on invested funds.

Interest expense decreased to $1.5 million for the three months ended May 31, 2022 from $3.8 million for the three months ended May 31, 2021 due to the adoption of ASU 2020-06 effective March 1, 2022 under which the conversion feature associated with our convertible notes is no longer separately accounted for as a debt discount and amortized to interest expense. The impacts of the adoption of ASU 2020-06 are more fully described in Note 1, under the caption “Recently Adopted Accounting Pronouncements”, to the accompanying condensed consolidated financial statements.

Other non-operating expense was $0.9 million for the three months ended May 31, 2022 as compared to $1.3 million for the three months ended May 31, 2021, and was largely comprised of costs incurred related to the wind down and transition of the LoJack North America business.

Net Income from Discontinued Operations, Net of Tax

Net income from discontinued operations, net of tax was $4.1 million for the three months ended May 31, 2021 and related to the sale of the LoJack North America business that was completed on March 15, 2021. See Note 2, *Discontinued Operations*, to the accompanying condensed consolidated financial statements for additional information.

Overall Profitability Measures

Net Loss:

GAAP-basis net loss for the three months ended May 31, 2022 was $12.2 million compared to a net loss of $1.9 million in the three months ended May 31, 2021. The change in the net loss was largely driven by lower revenues in the current year period and the gain recognized on the sale of the LoJack North America business in the prior year period.

Adjusted EBITDA:

	Three Months Ended May 31,			
(In thousands)	**2022**	**2021**	**$ Change**	**% Change**
Segment				
Software & Subscription Services	$ 3,955	$ 5,894	$ (1,939)	(32.9%)
Telematics Products	(747)	3,632	(4,379)	(120.6%)
Corporate Expenses	(1,352)	(1,141)	(211)	(18.5%)
Total Adjusted EBITDA	$ 1,856	$ 8,385	$ (6,529)	(77.9%)

Adjusted EBITDA for Software & Subscription Services decreased $1.9 million compared to the same period last year primarily due to operating expenses as a result of investments we are making to develop, market and sell our telematics solutions, partially offset by higher revenues. Adjusted EBITDA for Telematics Products decreased $4.4 million compared to the same period last year as a result of the decrease in revenues. Corporate Expenses increased by $0.2 million compared to the same period last year.

See Note 14, *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 period to period and may make quarterly comparisons less meaningful.

Income tax expense was $0.2 million for the three months ended May 31, 2022, compared to $0.3 million in the same period last year. The $0.1 million decrease in tax expense was primarily driven by a decrease in pre-tax income attributable to one of our foreign subsidiaries in the current period.

LIQUIDITY AND CAPITAL RESOURCES

Consistent with fiscal 2022, 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 grow our customer base to a subscription model while increasing our revenues, there will be a need for working capital in the future. Our immediate sources of liquidity are cash and cash equivalents, and our revolving credit facility. As of May 31, 2022, we have $59.0 million of cash and cash equivalents and $50 million available under our revolving credit facility. We expect to continue to finance our operations with cash on hand and cash generated from operations.

Our revolving credit facility with JPMorgan Chase Bank, N.A. provides for borrowings of up to $50 million and was set to expire on March 30, 2022. We have entered into an amendment to extend the term of this credit facility to June 30, 2022 with the intention of entering into a new revolving credit facility. Borrowings under our existing credit facility bear interest at either a Prime or LIBOR-based variable rate as selected by us on a periodic basis. As of May 31, 2022, there were no borrowings outstanding on this revolving credit facility. Although we intend to enter into a replacement credit facility, there can be no assurance that we will be able to obtain a credit facility with similar terms or at all.

We are a defendant in various legal proceedings, including the Philips patent infringement claim, involving intellectual property claims and contract disputes. On May 17, 2022, we executed an agreement with Omega for the settlement and release of the Omega claim and a covenant not to sue under certain patents and on June 1, 2022, we paid $4.9 million pursuant to that settlement agreement. On June 16, 2022, the court dismissed the Omega case with prejudice. Regarding the Philips matter, a final resolution of the ITC matter has not been determined at this time and the Delaware District Court cases are stayed pending resolution of the ITC matter. 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, 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 15, *Legal Proceedings*, of the Notes to Unaudited Condensed Consolidated Financial Statements for additional information on legal proceedings.

Sale of LoJack North America Operations

On March 14, 2021, we entered into an agreement with Spireon pursuant to which we sold certain assets and transferred certain liabilities of the LoJack North America business for a purchase price of $8.0 million. The transaction was completed effective March 15, 2021 and we received net proceeds of approximately $6.6 million. Subsequently, on November 9, 2021, the purchase price was reduced by $0.9 million, which was paid to Spireon, due to final working capital adjustments. We also entered into a Transition Service Agreement with Spireon on March 15, 2021 ("TSA") to support Spireon in the transition of LoJack North America customers and to provide recovery services to the existing installed base of LoJack North America customers as an agent of Spireon, which effectively terminated on March 31, 2022. During the service period, we invoiced Spireon for certain costs incurred in operating this business.

We also entered into a post-TSA Services Agreement with Spireon on March 15, 2021 ("SA"), that commenced April 1, 2022 upon the expiration of the TSA, under which we will continue to provide certain services related to the LoJack North America radio frequency tower infrastructure for a period of no longer than forty-eight months, as needed. As consideration for these services, Spireon will pay us a monthly service fee over the stipulated contract term.

Future Cash Obligations

During the first quarter of fiscal 2023, 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, 2022 as filed with the SEC on April 28, 2022.

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 of inventory purchase and our payment terms on our accounts receivable are generally within 45 days, generated positive cash flows from operating activities. In the second half of fiscal 2022, we began entering into subscription arrangements with key customers who previously purchased telematics devices from us. While these 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. Thus the conversion of customers onto subscription arrangements has had an unfavorable impact on cash flows. We anticipate that this trend will continue in the coming year as we continue our efforts to transition our entire MRM telematics customer base onto similar multi-year subscription arrangements.

For the three months ended May 31, 2022, net cash used in operating activities was $15.6 million and net loss was $12.2 million. Our non-cash expenses from continuing operations, comprised principally of depreciation, intangible asset amortization, stock-based compensation expense, amortization of debt discount and issuance costs, noncash operating lease costs and changes in deferred income taxes totaled $9.8 million. These non-cash expenses were slightly offset by non-cash revenues of $0.8 million related to acquired revenue assignment arrangements. Changes in operating assets and liabilities from continuing operations used $12.4 million of cash, largely as a result of the increase in accounts receivable, despite a decline in quarterly revenues in the current year quarter, and 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 also negatively impacted by the timing of payments on accounts payable.

For the three months ended May 31, 2021, net cash provided by operating activities was $0.1 million and net loss was $1.9 million. Our non-cash expenses from continuing operations, 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 $11.7 million. These non-cash expenses were partially offset by non-cash revenues of $1.4 million related to acquired revenue assignment arrangements. Changes in operating assets and liabilities from continuing operations used $3.9 million of cash, primarily driven by a net decrease in accounts payable and accrued liabilities, partly offset by the impact of lower inventory levels. Net cash used in discontinued operations was $0.4 million.

Cash flow from investing activities

For the three months ended May 31, 2022 and 2021, our net cash used in investing activities of continuing operations was $3.6 million and $3.1 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.

Net cash provided by investing activities of discontinued operations was $6.6 million during the three months ended May 31, 2021 and was comprised of cash proceeds received from the sale of the LoJack North America business.

Cash flow from financing activities

For the three months ended May 31, 2022 and 2021, our net cash used in financing activities was $0.4 million and $0.8 million, respectively, driven primarily by payments for taxes related to the net share settlement of vested equity awards.

We continue to monitor the impact of the pandemic and supply chain constraints on our operating results and liquidity as they have had an unfavorable impact on our financial condition and results of operations and we believe the pandemic and supply chain constraints may continue to have an unfavorable impact going forward.

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, 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, the effect of tariffs on exports from China and other countries, the ongoing effects of the COVID-19 pandemic, 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, 2022 as filed with the SEC on April 28, 2022. 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.

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 $1.2 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 May 31, 2022. The aggregate foreign currency transaction exchange rate income (loss) included in determining loss before income taxes were de minimis for both the three months ended May 31, 2022 and 2021.

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 euro currency rate plus a margin or the base rate (highest of (i) 0%, (ii) the rate of interest publicly announced by the Agent as its prime rate in effect at its principal office in New York City, (iii) the overnight bank funding rate as determined by the Federal Reserve Bank of New York plus 0.50% and (iv) the LIBOR-based rate for a one-month interest period on such day plus 1%). An applicable margin is added based on the Company’s senior leverage ratio, ranging from 1.50% to 2.00% for base rate loans, and from 2.50% to 3.00% for Eurodollar loans. Changes in interest rate would impact our variable rate borrowings. As of May 31, 2022, there was no outstanding borrowing under our revolving credit facility.

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 first quarter of fiscal 2023 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 15, *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, 2022, as filed with the SEC on April 28, 2022, for a discussion of factors that could materially affect our business, financial condition, results of operations, or future results.

Other than the risks described in the above-referenced Form 10-K, the Company is subject to the following risk:

Our business could be negatively affected as a result of any future proxy fight or the actions of activist shareholders.

Although our engagement with activist shareholder B. Riley Asset Management, LLC, through one of its managed funds, 272 Capital Master Fund Ltd. (collectively, "BRAM") was settled as a result of our entry into a cooperation agreement, future proxy contests or related activist activities with BRAM or other activist shareholders could adversely affect our business for a number of reasons, including, but not limited to, the fact that responding to proxy contests and other actions by activist shareholders can be costly and time-consuming and can create perceived uncertainties as to our future direction and governance that may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel, business partners, customers and others important to our success. Any future proxy contest or activist activities could also cause our stock price to experience periods of volatility. Further, if a proxy contest or a related settlement results in a change in the composition of our Board of Directors it could, in certain circumstances, give third parties certain rights under our existing contractual obligations, which could adversely affect our business.

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 first quarter ended May 31, 2022:

	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
March 1 - March 31, 2022	3,843	$ 7.19	-	$ -
April 1 - April 30, 2022	77,267	$ 5.06	-	$ -
May 1 - May 31, 2022	1,099	$ 5.75	-	$ -
Total	82,209	$ 5.16	-	$ -

(1) The amounts in this column represent shares of our common stock surrendered by employees to the Company, upon vesting of restricted stock, to 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 obligations upon the vesting of restricted stock granted under our stock plan.

ITEM 6. EXHIBITS

Exhibit 10.1	Employment Agreement between the Company and Brennen Carson dated June 16, 2022
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)

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.

June 23, 2022	/s/ Kurtis Binder
Date	EVP & Chief Financial Officer (Principal Financial Officer and Chief Accounting Officer)

Exhibit 10.1

EXECUTIVE EMPLOYMENT AGREEMENT

This Employment Agreement **("Agreement")** is entered into on June 16, 2022 (the **"Effective Date") by** and between **Brennen Carson,** an individual **("Executive"),** and CalAmp Corp., a Delaware corporation (the **"Company").**

RECITALS

A. It is the desire of the Company to assure itself of the continued services of the Executive by engaging the Executive to perform such services under the terms hereof.

B. The Executive desires to commit himself to serve the Company on the terms herein provided.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below the parties hereto agree as follows.

AGREEMENT

1. Employment by the Company and Term.

(a) Full Time and Best Efforts. Subject to the terms set forth herein, the Company agrees to employ Executive as **Chief Revenue Officer,** and in such other managerial capacities as may be requested from time to time by the President and CEO of the Company, and Executive hereby accepts such employment. Executive shall render such other services for the Company and corporations controlled by, under common control with, or controlling, directly or indirectly, the Company, and to successor entities and assignees of the Company **("Affiliates")** as the Company may from time to time reasonably request and as shall be consistent with the duties Executive is to perform for the Company and with Executive's experience. During the Term (defined below) of his employment with the Company, Executive will devote his full time and use his best efforts to advance the business and welfare of the Company, and will not engage in any other employment or business activities for any direct or indirect remuneration that would be directly harmful or detrimental to, or that may compete with, the business and affairs of the Company, or that would interfere with his duties hereunder.

(b) Duties. Executive shall serve in a management capacity and shall perform such duties as are customarily associated with his position and as reasonably requested by the Company's President and CEO.

(c) Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company and such other policies and practices as may be generally applicable to members of the Company's executive team, as those policies and practices may be established, amended or eliminated from time to time at the Company's sole discretion, including but not limited to those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general and/or executive employment policies or practices, this Agreement shall control.

(d) Term. The term of employment of Executive under this Agreement shall begin as of the Effective Date. Executive shall be employed by the Company (or a Company subsidiary or affiliate) on an "at will" basis, meaning either the Company or Executive may terminate Executive's employment at any time, with or without cause or advance notice (such period of employment under this Agreement, the **"Term").** Any contrary representations that may have been made to Executive shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between Executive and the Company on the "at will" nature of Executive's employment with the Company, which may be changed only in an express written agreement signed by Executive and a duly authorized officer of the Company. Executive's rights to any compensation following a termination shall be only as set forth in Section 6 herein.

2. Compensation and Benefits.

(a) Base Salary. Executive shall receive for services to be rendered hereunder a salary at the rate of $ 27,083.33 per month, payable at least as frequently as monthly and subject to payroll deductions as may be necessary or customary in respect of the Company's salaried executives (the **"Base Salary").** The Base Salary will be reviewed by and shall be subject to adjustment at the sole discretion of the Company's President and CEO each year during the Term of this Agreement.

(b) Participation in Benefit Plans. During the Term hereof, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health, accident, disability, or similar plan or program of the Company now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company may, in its sole discretion and from time to time, amend, eliminate, or establish additional benefit programs as it deems appropriate. Executive shall also participate in all standard fringe benefits offered by the Company to its salaried executives.

(c) Flexible Time Off. As a full-time exempt employee. Executive is eligible for paid time off under the Company's Flexible Paid Time Off **("PTO")** Policy. Under this Policy, Executive may take compensated time off as needed, so long as the President and CEO approves his requested time off in advance. Under this Policy, the Executive does not earn or accrue PTO hours in advance of taking compensated time off, and therefore no payment is made for PTO upon termination of employment.

3. Bonuses. The Executive shall be eligible to participate in the Company's executive bonus program in accordance with the terms of such program (as it may exist from time to time) and in the discretion of the Compensation Committee of the Company's Board of Directors **("Board")** administering such program.

4. Stock Awards. The Executive shall be eligible to participate in the Company's executive stock award plans and shall be eligible for equity awards in accordance with the terms of the Company's stock award plans and in the discretion of the Compensation Committee of the Board administering such plans.

5. Reasonable Business Expenses and Support. Executive shall be reimbursed for documented and reasonable business expenses in connection with the performance of his duties hereunder. Executive shall be furnished reasonable office space, assistance and facilities.

6. Termination of Employment. The date on which Executive's employment by the Company ceases under any of the following circumstances, shall be defined herein as the **"Termination Date."**

(a) Termination Upon Death. If Executive dies prior to the expiration of the Term of this Agreement, the Company shall **(i)** continue coverage of Executive's dependents (if any) under all benefit plans or programs of the type listed above in Section 2(b) herein for a period of 6 months, and **(ii)** pay to Executive's estate **(A)** Executive's accrued but unpaid Base Salary through the Termination Date (payable on the Company's first (1st) payroll processing date after Executive's Termination Date or earlier if required by applicable law), **(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 (collectively, the amounts in this Section 6(a)(ii) are **"Guaranteed Payments").**

(b) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a disability that renders Executive unable to perform the essential functions of his position, even with reasonable accommodation, as determined by competent medical authority. After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation will be payable under this Agreement except that Executive shall be paid the Guaranteed Payments set forth in Section 6(a)(ii).

(c) Termination for Cause.

(i) Termination; Payment of Accrued Base Salary. The Company may terminate Executive's employment at any time for Cause (defined below), immediately upon notice to Executive of the circumstances leading to such termination for Cause. In the event that Executive's employment is terminated for Cause, Executive shall receive the Guaranteed Payments set forth in Section 6(a)(ii). The Company shall have no further obligation to pay severance of any kind whether under this Agreement or otherwise nor to make any payment in lieu of giving notice of such termination.

(ii) Definition of Cause. "Cause" means the occurrence or existence of any of the following with respect to Executive, as determined by the Company: **(A)** unsatisfactory performance of Executive's duties or responsibilities, provided that the Company has given Executive written notice specifying the unsatisfactory performance of his duties and responsibilities and afforded the Executive reasonable opportunity for cure, all as determined by the Company; **(B)** a material breach by Executive of any of his material obligations hereunder that the Company has given Executive written notice of; **(C)** willful failure to follow any lawful

directive of the Company consistent with the Executive's position and duties, after written notice and reasonable opportunity to cure, all as determined by the Company; **(D)** a material breach by the Executive of his duty not to engage in any transaction that represents, directly or indirectly, self-dealing with the Company or any of its Affiliates which has not been approved in writing by the Company's President and CEO; **(E)** commission of any willful or intentional act which could reasonably be expected to materially injure the property, reputation, business, or business relationships of the Company or its customers; or **(F)** the indictment, the conviction or the plea of *nolo contendere* or the equivalent in respect of a felony involving moral turpitude.

(d) Termination Without Cause or Disability or for Good Reason.

(i) Termination; Payment of Accrued Base Salary. The Company may terminate Executive's employment at any time other than for Cause or disability by providing written notice to Executive. The Executive may terminate his employment with Good Reason (defined below) pursuant to the procedures set forth in Section 6(d)(v). In either event (unless such termination would be covered by Section 6(e) below), and contingent upon Executive's execution of a release in accordance with Section 6(d)(vi), the Company shall pay Executive as severance **(A)** subject to Section 6(d)(ii), an amount equal to 12 months of Executive's then Base Salary, less standard withholdings for tax and social security purposes, payable over such 12 month term in bi-weekly *pro rata* payments on the Company's regularly scheduled payroll dates following the Termination Date; **(B)** an amount equal to **(x)** any earned but unpaid bonus payable under the Company's annual incentive plan and **(y)** a *pro rata* portion of Executive's target bonus under the Company's annual incentive plan based on the number of days worked within the applicable incentive program period during which the termination occurred; **(C)** the premiums for continued coverage in the Company's health and welfare plans under the continuation coverage provisions of COBRA for a period of 12 months following the Termination Date (or the cash equivalent of such amount); and **(D)** the Guaranteed Payments set forth in Section 6(a)(ii).

(ii) No Breach of Sections 7, 8 or 9. Notwithstanding the foregoing, the Company shall not be obligated to pay any termination payments under this Section 6(d) or Section 6(e) if Executive breaches the provisions of Section 7, Section 8 or Section 9 below.

(iii) Stock Vesting Upon Termination. In the event Executive's employment is terminated pursuant to this Section 6(d), Executive's then **(A)** unvested equity awards granted under the Company's stock incentive plans prior to 2021 and after the Executive became an Executive of the Company shall continue to vest for a period of 12 months following the Termination Date, **(B)** unvested equity awards granted during or after 2021 under the Company's stock incentive plans shall be forfeited and cancelled, and **(C)** with respect to any options that are exercisable or become exercisable, such options shall remain exercisable for 12 months following the Termination Date, subject to such longer period as may be provided by the Company's 2004 Incentive Stock Plan (as may be amended and/or restated or replaced from time to time).

(iv) Definition of Good Reason. "Good Reason" shall mean the occurrence of any one or more of the following without the Executive's express written consent: **(A)** the assignment of the Executive to duties materially inconsistent with the Executive's authority, duties, responsibilities, and status (including offices, titles, and reporting requirements) as an officer of the Company, or any other action that constitutes a material reduction in or alteration to the nature or status of the Executive's authority, duties, or responsibilities, in each case from those in effect immediately prior to such reduction, provided that continued employment following a Change of Control with substantially the same responsibility with respect to the Company's business and operations will not constitute "Good Reason"; **(B)** the Company conditions Executive's continued service with the Company on Executive being transferred to a site of employment that would increase Executive's one-way commute by more than 55 miles from Executive's then current principal residence; **(C)** a reduction in the Executive's then Base Salary by ten percent (10%) or more other than in connection with a commensurate reduction of the entire executive team; or **(D)** any material breach by the Company of any material provision of this Agreement.

(v) Procedure for Good Reason. In order to exercise a Good Reason termination of employment the Executive must give the Company notice of termination within 60 days of the occurrence of one of the events included in the definition of Good Reason, following which notice the Company will have a period of 30 days to cure the circumstances constituting Good Reason. Unless the Company cures the circumstances constituting Good Reason within such 30 day period, Executive's employment will be deemed to terminate on the 30th day following the date such notice is delivered to the Company.

(vi) Release By Executive. In order to receive the benefits provided by this Section 6(d) or Section 6(e), Executive shall deliver to the Company within 21 days following the earlier of the Termination Date of Executive's employment and the date the Executive is offered severance benefits hereunder, a full and complete release, in form and substance reasonably acceptable to the Company, of all claims, known or unknown, that Executive may have against the Company, other than claims for indemnification, workers compensation or under the Company's 401 (k) plan. The benefits provided by this Section 6(d) or Section 6(e) will be forfeited on the 28th day following the Termination Date if the Company has not been provided with such a release by the 21st day following the Termination Date, or if Executive provided such release but revoked such release within 7 days thereafter.

(e) **Termination following a Change of Control.** If, within the 3-month period preceding or the 12-month period following a Change of Control (as defined below), the Company terminates Executive's employment other than for Cause or disability or Executive terminates employment for Good Reason, then subject to Section 6(d)(ii), **(i)** 100% of Executive's then unvested equity awards granted under the Company's stock incentive plans after the Executive became an executive of the Company shall become vested and, with respect to any options that are exercisable or become exercisable, such options shall remain exercisable for 6 months following the Termination Date, subject to such longer period as may be provided by the Company's 2004 Incentive Stock Plan (as amended and/or restated, or replaced), **(ii)** the Executive shall be entitled to an amount equal to 12 months of Executive's then Base Salary, less standard withholdings for tax and social security purposes, payable over such 12-month term in monthly *pro rata* payments commencing as of the Termination Date, **(iii)** the Executive shall be entitled to an amount equal to Executive's target bonus under the Company's annual incentive plan for the year of termination, and **(iv)** the Company will pay the premiums for continued coverage in the Company's health and welfare plans under the continuation coverage provisions of COBRA for a period of 12 months following the Termination Date (or the cash equivalent of such amount).

(i) **"Change of Control"** shall mean the consummation of the first to occur of **(A)** the sale, lease or other transfer of all or substantially all of the assets of the Company to any person or group (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) other than to **(1)** a corporation or other entity of which a majority of its combined voting power is owned directly or indirectly by the Company, or **(2)** a corporation or other entity owned directly or indirectly by the holders of capital stock of the Company in substantially the same proportions as their ownership of capital stock in the Company; **(B)** the adoption by the stockholders of the Company of a plan relating to the liquidation or dissolution of the Company; **(C)** the merger or consolidation of the Company with or into another entity or the merger of another entity into the Company or any subsidiary thereof with the effect that immediately after such transaction the stockholders of the Company immediately prior to such transaction (or their Related parties) hold less than 50% of the total voting power of all securities generally entitled to vote in the election of directors, managers or trustees of the entity surviving such merger of consolidation; or **(D)** the acquisition by any person or group of more than 50% of the voting power of all securities of the Company generally entitled to vote in the election of directors of the Company. Notwithstanding anything stated herein, a transaction shall not constitute a "Change of Control" if its sole purpose is to change the state of the Company's incorporation, or to create a holding company that will be owned in substantially the same proportions by the persons who hold the Company's securities immediately before such transaction.

(f) **Benefits Upon Termination.** Without prejudice to Sections 6(d) and 6(e), all benefits provided under Section 2(b) hereof shall be extended, at Executive's election and cost, to the extent permitted by the Company's insurance policies and benefit plans, for 18 months after Executive's Termination Date, except **(i)** as required by law (e.g., COBRA health insurance continuation election), or **(ii)** in the event of a termination described in Section 6(a).

(g) **Excess Parachute Payments, Limitation on Payments.**

(i) **Best Pay Cap.** Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by Executive (including any payment or benefit received in connection with a termination of Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 6 hereof, being hereinafter referred to as the **"Total Payments")** would be subject (in whole or part) to the excise tax (the **"Excise Tax")** imposed under Section 4999 of the Internal Revenue Code of 1986, as amended **("Code")** then, if elected by Executive, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, any cash payments shall first be reduced, and any noncash payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if **(A)** the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to **(B)** the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(ii) **Certain Exclusions.** For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, **(A)** no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; **(B)** no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting firm (the **"Independent Advisors")** selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of the Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and **(C)** the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

7. Proprietary Information Obligations. During the Term of employment under this Agreement, Executive will have access to and become acquainted with the Company's and its Affiliates' confidential and proprietary information, including, but not limited to, information or plans regarding the Company's and its Affiliates' customer relationships, personnel, or sales, marketing, and financial operations and methods; intellectual property; trade secrets; formulas; devices; secret inventions; processes; and other compilations of information, records, and specifications (collectively **"Proprietary Information").** Executive shall not disclose any of the Company's or its Affiliates' Proprietary Information directly or indirectly, or use it in any way, either during the Term of this Agreement or at any time thereafter, except as required in the course of his employment for the Company or as authorized in writing by the Company. All files, records, documents, computer-recorded information, drawings, specifications, equipment and similar items relating to the business of the Company or its Affiliates, whether prepared by Executive or otherwise coming into his possession, shall remain the exclusive property of the Company or its Affiliates, as the case may be, and shall not be removed from the premises of the Company under any circumstances whatsoever without the prior written consent of the Company, except when (and only for the period) necessary to carry out Executive's duties hereunder, and if removed shall be immediately returned to the Company upon any termination of his employment; provided, however, that Executive may retain copies of documents reasonably related to his interest as a stockholder and any documents that were personally owned, which copies and the information contained therein Executive agrees not to use for any business purpose. Notwithstanding the foregoing, Proprietary Information shall not include **(a)** information which is or becomes generally public knowledge except through disclosure by the Executive in violation of this Agreement, and (b) information that may be required to be disclosed by applicable law.

8. Noninterference. While employed by the Company, and for a period of 2 years after termination of this Agreement, Executive agrees not to interfere with the business of the Company or any Affiliate by directly or indirectly soliciting, attempting to solicit, inducing, or otherwise causing any employee of the Company or any Affiliate to terminate his or her employment in order to become an employee, consultant, or independent contractor to or for any other employer.

9. Non-Disparagement. During Executive's employment and at all times following Executive's termination of employment for any reason, Executive agrees not to make, or knowingly cause to be made, any public disparaging statement or public communication, written or oral, concerning the Company, or otherwise impugn the business or management of, damage the reputation of, or interfere with the normal operations of the Company or any of its respective past or present employees, executives, officers, directors, shareholders, members, managers, principals, or representatives. The foregoing prohibitions include, without limitation, (i) non-verbal comments or statements made on the Internet, including without limitation, on blogs, forums, social media platforms, review or rating sites, or any Internet site or online message board (including but not limited to Linkedln and GlassDoor); and (ii) comments or statements to any person or entity, including without limitation, to the press or media, the Company, or any entity, customer, client, vendor, supplier, consultant or contractor with whom the Company has, has had or may in the future have a business relationship, that would in any way adversely affect the conduct of the business of the Company (including but not limited to any business plans or prospects) or the reputation of the Company or the aforementioned persons (including without limitation former and present employees of the Company). Nothing in this provision or elsewhere in this Agreement shall (a) affect the parties' obligation to provide truthful information as may be required by law, rule, regulation or legal process, or as requested by any legal or regulatory authority, (b) unlawfully impair or interfere with Executive's rights under Section 7 of the National Labor Relations Act, or (c) impair or in any way interfere with the Company's ability to engage in intra-Company communications between or among officers, members of the Board, and/or their advisors related to Executive's compensation, retention, and/or job performance.

10. Miscellaneous.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of 2 days following personal delivery, or the 4th day after mailing by first class mail to the recipient at the address indicated below:

To the Company:

CalAmp Corp.
15635 Alton Parkway, Suite 250
Irvine, California, USA 92618
Attention: President and CEO

To Executive:

Brennen Carson

At the latest address for Executive on file with the Company

or to such other address or to the attention of such other person as the recipient party will have specified by prior written notice to the sending party.

(b) **Severability.** Any provision of this Agreement which is deemed invalid, illegal, or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 10(b), be ineffective to the extent of such invalidity, illegality, or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal, or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

(c) **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof, and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral.

(d) **Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement. Delivery of an executed counterpart of this Agreement electronically or by DocuSign shall be effective as delivery of an original executed counterpart of this Agreement.

(e) **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors and assigns, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the prior written consent of the Company.

(f) **Amendments.** No amendments of or other modifications to this Agreement may be made except by a writing signed by both parties. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation, or other entity not a party to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third person any rights or remedies under or by reason of this Agreement.

(g) **Choice of Law.** All questions concerning the construction, validity, and interpretation of this Agreement will be governed by the laws of the State of California without giving effect to principles of conflicts of law.

(h) **Interpretation.** For purposes of this Agreement, **(i)** the words "include," "includes." and "including," are deemed to be followed by the words "without limitation;" **(ii)** the word "or" is not exclusive; and **(iii)** 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, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; **(y)** to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof/without regard to subsequent amendments, supplements, and modifications thereto; and **(z)** to a statute means such statute as amended from time to time and includes/enforced at the time and date of this Agreement becoming effective and does not include 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. The 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.

11. **Attorneys' Fees.** In the event of litigation arising under this Agreement or out of or concerning the Executive's employment or termination by the Company, the prevailing party shall, in addition to all costs of suit, be entitled to recover its or his reasonable attorneys' fees from the other party.

12. Section 409A Compliance.

(a) The parties agree that this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations and guidance promulgated thereunder **("Section 409A")** or an exemption from Section 409A. The Company shall undertake to administer, interpret, and construe this Agreement in a manner that does not result in the imposition on Executive of any additional tax, penalty, or interest under Section 409A. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," or like terms shall mean "separation from service."

(c) Notwithstanding anything herein to the contrary, in the event that Executive is a "specified Executive" (within the meaning of Section 409A) on the date of termination of Executive's employment with the Company and the payments described in Section 6(d)(i) or Section 6(e), as applicable, to be paid within the first 6 months following the date of such termination of employment (the **"Initial Payment Period")** exceed the amount referenced in Treas. Regs. Section 1.409A-1(b)(9)(iii)(A) (the **"Limit"),** then **(i)** any portion of such payments that are payable during the Initial Payment Period that does not exceed the Limit shall be paid at the times set forth in Section 6(d)(i) or Section 6(e), as applicable, **(ii)** any portion of such payments that exceed the Limit (and would have been payable during the Initial Payment Period but for the Limit) shall be paid, in lump sum, on the first business day after the 6th month anniversary of Executive's termination of employment, and **(iii)** any portion of such payments that are payable after the Initial Payment Period shall be paid at the times set forth in Section 6(d)(i) or Section 6(e), as applicable.

(d) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A of the Code, all such payments shall be made on or before the last day of calendar year following the calendar year in which the expense occurred.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

[SIGNATURE PAGE ON NEXT PAGE]

SIGNATURE PAGE

EXECUTIVE EMPLOYMENT AGREEMENT

CALAMP CORP.:		**EXECUTIVE:**	
By:	/s/ Jeffery Gardner	By:	/s/ Brennen Carson
	Jeffery Gardner		Brennen Carson
Its:	President and CEO		Chief Revenue Officer
Dated:	June 16, 2022	Dated:	June 20, 2022

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, Jeffery Gardner, 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 the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the 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 15d-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 for 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; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent 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 the 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.

June 23, 2022	/s/ Jeffery Gardner
Date	Jeffery Gardner 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, Kurtis Binder, 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 the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the 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 15d-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 for 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; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent 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 the 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.

June 23, 2022	/s/ Kurtis Binder
Date	Kurtis Binder 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 May 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), we, Jeffery Gardner, Chief Executive Officer of the Company, and Kurtis Binder, 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/ Jeffery Gardner
Jeffery Gardner
Chief Executive Officer

/s/ Kurtis Binder
Kurtis Binder
Chief Financial Officer

June 23, 2022

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.