Risk Factors Comparison 2024-03-06 to 2023-03-20 Form: 10-K

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You should carefully consider the following risk factors, together with the other information contained in this annual report on Form 10- K, including our financial statements and the related notes and " Management' s Discussion and Analysis of Financial Condition and Results of Operations, " before ~~making a decision~~ **deciding** to purchase or sell shares of our common stock. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition and growth prospects. If that were to happen, the trading price of our common stock could decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations or financial condition. Summary of Risks Related to our Business Our business is subject to numerous risks and uncertainties, including those described below. The principal risks and uncertainties affecting our business include, but are not limited to the following: • The ~~market~~ **markets** for our antenna ~~products is~~ **and wireless systems solutions are** developing and may not develop as we expect; • Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or our guidance; • Our ~~products~~ **antenna solutions and wireless connectivity solutions** are subject to intense competition, including competition from **our suppliers and** the customers to whom we sell ~~, and competitive pressures from existing and new companies may harm our business, sales, growth rates and market share~~ ; • Our future success depends on our ability to develop **new products** and successfully introduce new and enhanced products and services for the wireless market that meet the needs of our customers; • ~~Our embedded antenna solutions~~ **If we are unable to manage our growth and expand our operations successfully, our** business ~~is characterized by short product development windows~~ and **operating** ~~short product lifecycles; • Any delays in our sales cycles could result~~ **results** ~~in customers canceling purchases of~~ **will be harmed, and** our ~~products~~ **reputation may be damaged** ; • We have a history of losses, including an accumulated deficit of $ ~~66~~ **78** . ~~1~~ **5** million at December 31, ~~2022~~ **2023** , and we may not be profitable in the future **; • Any delays in our sales cycles could result in customers canceling purchases of our products** ; • We sell to customers who are ~~extremely~~ price conscious, and **to** a ~~few~~ **limited number of** customers **, who** represent a significant portion of our sales. If we **were to** lose any of these customers **or devices** , our sales could decrease significantly; • We **are developing a number of our new products and wireless connectivity solutions in partnership with other companies. If any of these companies were to fail to perform, or our partnerships were to be unsuccessful, we may not be able to bring our solutions to market successfully or on a timely basis; • We** rely on a ~~few contract manufacturers to produce and ship all of our products, a single or~~ limited number of **CMs to** ~~suppliers for some components of our products~~ **produce** and **ship** ~~channel partners to sell and support~~ our products, and the failure to manage our relationships with these parties successfully could adversely affect our ability to market and sell our products; • If we are unable to protect our intellectual property rights, our competitive position could be harmed **,** or we could be required to incur significant expenses to enforce our rights; • Our international sales and operations subject us to additional risks that can adversely affect our operating results and financial condition; and • Our **CMs purchase some** ~~business has been negatively affected by the significant disruptions in the supply chain that resulted in our customers and partners' inability to secure~~ components **, subassemblies** ~~that are critical to the development~~ and ~~deployment of their~~ products **from a single or limited number of suppliers. The loss of any of these suppliers may substantially disrupt our ability to obtain orders and fulfill sales as we design in and qualify new components** . Risks Related to Our Business and Industry The markets for our antenna **and wireless systems** solutions are developing and may not develop as we expect. The wireless industry is characterized by rapidly evolving technologies, and the markets for our antenna systems and wireless connectivity solutions may not develop as we expect. It is difficult to predict customer adoption rates, customer demand for our antennas, the size and growth rate of our target markets, the entry of competitive products, or the success of existing competitive products. We have historically driven revenue growth primarily through the top North American video service providers, largely in the consumer market. Moving forward, our goal is to drive growth in the enterprise and automotive markets. These markets may develop at varying growth rates and our success in penetrating these markets will depend on various competitive factors across a number of developing industries. Any expansion in our markets depends on several factors. For example, **any** ~~the continued~~ growth in the consumer market and any increase in demand for antenna products will depend on, among things, the cost, performance, and perceived value associated with our antennas and the ability for our antenna products to meet increased performance demands, refresh cycles and device form factors. Further, as we continue to transition to a wireless systems solution provider, increased growth in the enterprise and automotive markets will depend on, among things, acceptance of our solutions by our customers and performance of the networks on which our products operate. For example, ~~the market for our~~ AirgainConnect AC- ~~HPUE product~~ **Fleet solution** is ~~highly~~ dependent on the **carriers** ~~overall first responders market and AT & T ' s FirstNet network~~ **networks that** ~~, and this market has not to date resulted in significant sales of our product and~~ the **AC- Fleet operates** ~~market may not further develop~~ on **and requires widespread commitments across multiple customer** ~~the timeframes we expect, or at all. With the cessation of AT & T' s marketing~~ **markets** ~~promotions~~ and **budgets. The** ~~sales support, the~~ growth potential for AC- **Fleet may** ~~HPUE is likely to~~ be limited, and we will need to introduce new products in the AirgainConnect platform in order to continue to grow ~~the automotive market~~ . If our wireless solutions do not achieve widespread adoption, if there is a slower rollout than we expect in certain markets or there is a reduction in demand for our wireless connectivity solutions or antennas in our markets caused by a lack of customer acceptance, technological challenges, competing technologies and products, decreases in corporate spending, weakening economic conditions, or otherwise, it could result in reduced customer orders, early order cancellations, or decreased sales, any of which would adversely affect our business, operating results and financial condition. Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or our guidance. Our quarterly and annual operating results have fluctuated in the past and may fluctuate significantly in the future, which makes it difficult for us to predict our future operating results. The timing and size of sales of our products are variable and difficult to predict and can result in fluctuations in our net sales from period to period. In addition, our budgeted expense levels depend in part on our expectations of future sales. Because any substantial adjustment to expenses to account for lower levels of sales is difficult and takes time, we may not be able to reduce our costs sufficiently to compensate for an unexpected shortfall in net sales, and even a small shortfall in net sales could disproportionately and adversely affect our operating margin and operating results for a given quarter. Our **net loss increased from $ 8. 7 million in the year ended December 31, 2022 to $ 12. 4 million in the year ended December 31, 2023 and the increase in net loss could continue in future. Prior to 2023, our net income was $ 0. 9 million, $ 1. 1 million and $ 3. 7 million for the years ended December 31, 2019, 2017 and 2016. Our** operating results may also fluctuate due to a variety of other factors, many of which are outside of our control, including ~~the changing and~~ **any change or** ~~volatile~~ **volatility in** U. S., European, Asian and global economic environments, and any of which may cause our stock price to fluctuate. Besides the other risks in this " Risk Factors " section, factors that may affect our operating results include: • fluctuations in demand for our products and services; • the inherent complexity, length and associated unpredictability of product development windows and product lifecycles; • the timing and extent of investment in our targeted growth markets and the timing and amount of sales in such markets **; • our ability to develop, introduce and ship in a timely manner new products and product enhancements and anticipate future market demands that meet our customers' requirements, and provide adequate customer support for those products** ; • changes in customers' budgets for technology purchases and delays in their purchasing cycles; • global supply shortage including **, but not limited to** ~~chip~~ **chips** ~~shortages~~ **and modules** , supply constraints relating to other materials and potential increasing shipping costs and related limitations on our **ability to acquire mission critical components** and our ~~customers~~ **CM** ' **s** ~~ability~~ **abilities** to obtain ~~necessary components in~~ **sufficient human resources to meet** our **global demand** ~~respective supply chains~~ ; • inflation and other increases in the cost of components, consumables **, labor** and other manufacturing costs; • ~~seasonal fluctuations around~~ **changing market and** economic conditions and,financial institution instability.• any significant changes in the competitive dynamics of our markets,including new entrants,or further consolidation;the timing of product releases or upgrades by us or by our competitors;• ~~our ability to develop,introduce~~ **uncertainty surrounding the outcome of political elections in the U.S.** and **its effects on** ~~ship in a timely manner new products and product enhancements and anticipate future market demands that meet our customers' requirements,and provide adequate customer support for those products;• public health crises such as the COVID- 19 pandemic;• increasing uncertainty of~~ international relations **,sanctions** and tariffs; ~~and~~ • terrorism,political instability or war,and the imposition of sanctions or countermeasures ~~changing~~ **by the U.S.and other countries in relation to such conflicts;• public health crises regionally and globally,including pandemics and epidemics;and • facility shutdowns related to** local holidays in China **and southeast Asia,** affecting how customers make purchasing decisions ; • changing market and economic conditions...... other countries in relation to such conflicts . The cumulative effects of the factors above could result in large fluctuations and unpredictability in our quarterly and annual operating ~~results~~ **earnings** . **Additionally** ~~For example, the ongoing tension on global trade and macroenvironment are together with impacting the whole supply chain to varying degrees, which, in addition to the slowdown in customer specific product rollouts, has negatively affected our business and may continue to do so. In 2021 and 2022, global supply shortages caused a delay in customer specific rollouts and delays in our ability to source required components for certain of our products, as well as the ability of our customers to source required components for end products that incorporate our products. These supply chain interruptions have caused and may continue to result in a delay in our sales, as well as fluctuations in timing of our supply chain purchases as we look to secure components in advance to account for longer lead times. Together with inflationary and other effects,~~ this ~~has resulted and~~ may ~~continue to~~ result in higher prices from ~~our~~ suppliers **which** ~~that have negatively affected, and~~ could ~~continue to~~ negatively affect ~~,~~ gross margins and **increase** operating expenses ~~. As a result, comparing our operating results on a period- to- period basis may not be meaningful~~ . You should not rely on our past results as an indication of future performance. In addition, the financial markets and the global economy may be adversely affected by the current or anticipated impact of military conflict, including the war between Russia and Ukraine, **and the conflict related to China and Taiwan, political unrest, tensions, uncertainty in the Middle East, and global and regional,** terrorism or other geopolitical events. Sanctions imposed by the United States and other countries in response to such conflicts ~~, including the one in Ukraine~~ , may also adversely impact the financial markets and the global economy, and any economic countermeasures by affected countries and others could exacerbate market and economic instability. In addition, concerns or adverse developments regarding liquidity risk related to financial institutions or the broader financial services industry may lead to market- wide liquidity shortages, impair the ability of us or other companies to access near- term working capital needs, and create additional market and economic uncertainty. There can be no assurance that future credit and financial market instability and a deterioration in confidence in economic conditions will not occur. Our general business strategy and operating results may be adversely affected by any such economic downturn, liquidity shortages, volatile business environment, or continued unpredictable and unstable market conditions. In addition, there is a risk that one or more of our current service providers, financial institutions, manufacturers, suppliers or customers may be adversely affected by the foregoing risks, which could adversely affect our business and operating results be adversely affected by the foregoing risks ~~.~~ If we are unable to manage our growth and expand our operations successfully,our business and operating results will be harmed,and our reputation may be damaged.We have expanded our operations significantly in the last several years and anticipate that further significant expansion will be required to achieve our business objectives.The growth and expansion of our business and product offerings places a continuous and significant strain on our management,operational and financial resources.As we transition to a wireless system solutions provider,we expect these challenges to increase.Any such future growth would also add complexity to and require effective coordination throughout our organization.We use the services of third parties to perform tasks including design services and sales and marketing.Our growth strategy may entail expanding our group of contractors or consultants to implement additional functions going forward.Because we rely on consultants,effectively outsourcing key functions of our business,we will need to be able to manage these consultants to ensure that they successfully carry out their contractual obligations and meet expected deadlines.However,if we are unable to effectively manage our outsourced activities or if the quality of the services provided by consultants is compromised for any reason,our ability to provide quality products in a timely manner could be harmed,which may have a material adverse effect on our business operating results and financial condition.To manage any future growth effectively,we must continue to improve and expand our information technology and financial infrastructure,our operating and administrative systems and controls,and our ability to manage headcount,capital and processes in an efficient manner.We may not be able to successfully implement improvements to these systems and processes in a timely or efficient manner,which could result in additional operating inefficiencies and could cause our costs to increase more than planned.If we do increase our operating expenses in anticipation of the growth of our business and this growth does not meet our expectations,our operating results may be negatively impacted.If we are unable to manage future expansion,our ability to provide high quality products and services could be harmed,which could damage our reputation and brand and may have a material adverse effect on our business,operating results and financial condition **.** . Our antenna solutions and wireless connectivity solutions are subject to intense competition, including competition from our suppliers and the customers to whom we sell. Antenna solutions is an established technical field with low intellectual property and technological barriers to entry. Antenna competition exists globally for all areas of our business and product lines. The markets in which we compete are rapidly evolving and intensely competitive, and we expect competition to increase in the future from established competitors and new market entrants. The markets are influenced by, among others, brand awareness and reputation, price, strength and scale of sales and marketing efforts, professional services and customer support, product features, reliability and performance, scalability of products, and breadth of product offerings. Due to the proprietary nature of some of our products, competition occurs primarily at the design stage. As a result, a design win by our competitors or by us typically limits further competition regarding that design. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses and failure to increase, or the loss of, market share, any of which would likely seriously harm our business, operating results or financial condition. In addition, some of our ODM, OEM and carrier and retail- focused end- customers that drive the use of our antenna solutions have and, in the future, may build internal antenna design teams that compete with our products. From a cost and control perspective, our products generally cost more than our competitors' products. If our ability to design antenna solutions is deemed to be on par or of lesser value than competing solutions, we could lose our customers and prospects. Additionally, our movement into more system- based solutions may bring more competitors into our markets than we have traditionally faced. As our solutions begin to contain more system components and commensurate higher average selling prices, the resulting product categories may attract additional competitors or our customers may be more likely to begin to develop competing products. ~~Our AirgainConnect product is one of only two HPUE products available for use on FirstNet MegaRange, with the other such product being a stand- alone modem product marketed by our supplier of the HPUE modem module, and so our supplier competes with us for sales to certain customers. While we believe our intellectual property estate and limited exclusivity agreement with Assured Wireless for use of their HPUE modem module in a vehicular antenna- modem product provide us a competitive advantage, we cannot be assured that other competitors will not enter the market and limit the growth potential of our AirgainConnect platform. Our exclusivity with Assured Wireless is limited in duration and subject to termination if we fail certain of our obligations under our agreement. In addition, if our relationship with Assured Wireless is terminated, or we are otherwise unable to purchase components from Assured Wireless, or AT & T declares a decertification of our products on its networks, or AT & T or other operators fail to certify our future products on their networks, our business and operating results and financial condition may be materially affected.~~ New entrants and the introduction of other distribution models in our markets may harm our competitive position. The markets for development, distribution, and sale of our products are rapidly evolving. New entrants seeking to gain market share by introducing new technology and new products may make it more difficult for us to sell our products, and could create increased pricing pressure, reduced profit margins, increased sales and marketing expenses, or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition. Our future success depends on our ability to develop **new products** and successfully introduce new and enhanced products and services for the wireless market that meet the needs of our customers. Our sales depend on our ability to anticipate our existing and prospective customers' needs and develop products **and systems solutions** that address those needs. Our future success will ~~depend~~ **be contingent** on our ability to introduce new ~~products~~ **solutions** for ~~the~~ wireless ~~market~~ **applications** , anticipate improvements and enhancements in wireless technology and wireless standards, and to develop ~~products~~ **solutions** that are competitive in the rapidly ~~changing~~ **evolving** wireless industry. In furtherance of these efforts, we ~~expect~~ **will continue** to invest significantly in ongoing research and development. **However such** ~~If we do not adequately fund our research and development efforts, or if our research and development~~ investments ~~do~~ **may** not translate into material enhancements to our ~~antenna products~~ **wireless solutions** , ~~we may not be able~~ **which is important for us** to compete effectively ~~and our business, results of operations, and financial condition may be harmed~~ . As we **complete our** transition ~~to~~ **into** a wireless systems solutions provider, we anticipate the need to increase our investment in research and development to stay on the leading edge of next generation development and to align ourselves with the rapidly evolving technology needs of the industry. Moreover, the introduction of ~~new~~ **newly** ~~products~~ **integrated wireless platforms** and product **and system** enhancements will require coordination of our **engineering** efforts with those of our customers, **carriers,** suppliers, and manufacturers to ~~rapidly~~ **efficiently** achieve **our growth objectives** ~~volume production and to support those products when they are in the field~~ . We expect these coordination efforts to increase substantially in the future as we work with ~~chipset vendors and~~

OEM partners on new proof- of- concept and reference designs earlier in the development cycle. If we fail to coordinate these efforts, develop product enhancements or introduce new ~~products~~ **solutions** that meet the needs of our customers as scheduled, our operating results will be materially and adversely ~~affected~~ **impacted** , and our business and prospects will be harmed. We cannot assure that ~~product~~ **solution** introductions will meet the anticipated release schedules or that our wireless ~~products~~ **solutions** will be competitive in the market. The introduction of ~~new~~ **the next generation** AirgainConnect platform ~~products~~ , and the transition to a more expansive level of advanced ~~product~~ solutions, requires coordination of efforts and increased time and resources. If we fail to ~~gain~~ **develop competitive solutions for customers with outstanding quality within the identified** market **window** ~~acceptance with our customers, suppliers and manufacturers~~ , our operating results ~~will~~ **may** be materially and adversely **impacted** ~~affected, and our business and prospects will be harmed~~ . **As** ~~In the third quarter of 2022, AT & T ceased special promotional service credits and sales efforts related to our AC- HPUE product, which has adversely affected and may continue to adversely affect sales of that product. In addition, while~~ we ~~plan to~~ rollout follow- on products **and accessories** for the AirgainConnect ~~platform~~ **Fleet solution** , we may not be able to successfully develop ~~or certify~~ **to conform to carrier PTCRB (PCS Type Certification Review Board) certifications of** such products ~~and~~ **. Furthermore** , ~~even if~~ **the stringent customer demands for these advanced solutions requires substantial ongoing effort and investment for solution maintenance, support, and evolution. If** we ~~do,~~ **are unable to continually provide** such ~~products may not achieve meaningful market acceptance~~ **effort and investment to customers, our customers' business could be adversely impacted, or customers could switch to competitor solutions, which would have an adverse impact on our operating results** . Furthermore, given the rapidly evolving nature of the wireless market, there can be no assurance our products and technology will not be rendered obsolete by alternative or competing technologies. The markets in which we operate are characterized by changing technology and evolving industry standards, which includes the introduction and implementation of Wi- Fi ~~6~~ **7** and emerging 5G cellular standards. Despite years of experience in meeting customer design requirements with the latest in technological solutions, we may not be successful in identifying, developing and marketing products or systems that respond to rapid technological change, evolving technical standards and systems developed by others. Our competitors may develop technology that better meets the needs of our customers. If we do not continue to develop, manufacture and market innovative technologies or applications that meet customers' requirements, sales may suffer, and our business may not continue to grow in line with historical rates or at all ~~. Our embedded antenna solutions business is characterized by short product development windows and short product lifecycles. Certain of our antenna solutions are purchased and integrated by customers in the electronics industry. In many cases, the products that include our solutions are subject to short product development windows and short product lifecycles. In the case of the short product development window, we may be pressured to provide solutions that are the lowest in cost to be accepted. Customer pressure could force us to reduce our price to win designs with short development windows. Regarding short product lifecycles, we might provide up- front design and engineering work, but ultimately lose the design to a competitor, or even if we win the design, such design could be extremely short- lived due to our customers' inability to sell the product in significant volume. Our up- front costs associated with a design can be significant, particularly for new and emerging technology trends and industry standards, and if the sales volumes are inadequate due to lack of acceptance and / or short lifecycle, our financial performance will be impaired. Additionally, these products are dependent on the demand for and sales of the customers' products, and any issues our customers suffer with their product sales could have an adverse impact on our sales~~ . Any delays in our sales cycles could result in customers canceling purchases of our products. Sales cycles for some of our products can be lengthy, often lasting several months to a year or longer. In addition, it can take additional time before a customer commences volume production of equipment that incorporates our products. Sales cycles can be lengthy for several reasons, including: • our OEM customers and carriers usually complete a lengthy technical evaluation of our products, over which we have no control, before placing a purchase order; • the commercial introduction of our products by OEM customers and carriers is typically limited during the initial release to evaluate product performance; • the development and commercial introduction of products incorporating new technologies frequently are delayed; and • certain customers of advanced antenna systems and integrated wireless solutions require successful field trials before committing to purchase our solutions, which could delay the customer decision making process. A significant portion of our operating expense is relatively fixed and is based in large part on our forecasts of volume and timing of orders. The lengthy sales cycles make forecasting the volume and timing of product orders difficult. In addition, the delays inherent in lengthy sales cycles raise additional risks of customer decisions to cancel or change product phases. If customer cancellations or product changes were to occur, this could result in the loss of anticipated sales without sufficient time for us to reduce our operating expenses. We currently maintain significant inventories to meet forecasted future demand due to the supply chain shortages. If the forecasted demand does not materialize into purchase orders for these products, we may be required to write off our inventory balances or reduce the value of our inventory, based on a reduced sales price. A write off of the inventory, or a reduction in the inventory value due to a sales price reduction, could have an adverse effect on our financial condition and operating results. We have a history of losses, and we may not be profitable in the future. Before 2013 we had incurred net losses in each year since our inception. As a result, we had an accumulated deficit of $ ~~66~~ **78** . ~~1~~ **5** million at December 31, ~~2022~~ **2023 . Airgain is transitioning to a wireless systems solutions company** . Because the market for ~~our antenna products~~ **wireless systems solutions** is rapidly evolving, it is difficult for us to predict our operating results. We expect our operating expenses to increase over the next several years as we hire additional personnel, particularly in engineering, sales **support, customer service and experience** , and marketing, and continue to develop new ~~antenna products~~ **wireless ecosystems** to address new and evolving markets. In addition, as a public company we will incur additional significant legal, accounting, and other expenses. If our sales do not increase to offset these increases in our operating expenses, we may not be profitable in future periods. Our historical sales growth has been inconsistent and should not be considered indicative of our future performance. Any failure to sustain or increase our profitability consistently could cause the value of our common stock to materially decline. A limited number of customers and devices represent a significant portion of our sales. If we were to lose any of these customers or devices, our sales could decrease significantly. Customers that accounted for 10 % or more of our total revenue provided ~~57~~ **approximately 40** % of sales in the aggregate for the year ended December 31, ~~2022~~ **2023** . Although our top customers that pay for our products have historically been ODMs and distributors, it is primarily the OEMs, carrier customers and retail- focused end- customers that drove the use of our antenna solutions and the purchase by the ODMs and distributors of our antenna solutions. In addition, a few end- customer devices which incorporate our antenna products comprise a significant amount of our sales, and the discontinuation or modification of such devices may materially and adversely affect our sales and results of operations. Moving forward, as we transition to a wireless ~~system~~ **systems** solutions provider, we expect a shift toward external wireless solutions and antenna technologies in the automotive and enterprise markets that may result in a corresponding shift in the customer mix. Any significant loss of, or a significant reduction in purchases by, these other significant customers or customers that drive the use of our antenna solutions or a modification or discontinuation of a device which constitutes a significant portion of sales could have an adverse effect on our financial condition and operating results. We sell to customers who are price conscious. Our customers compete in segments of the electronics market. The electronics market is characterized by intense competition as companies strive to come to market with innovative designs that attract customers based upon design, performance, cost, ease of use, and convenience. Product lifecycles can be extremely short as companies try to gain advantage over their competitors. Because of the high design and engineering costs, companies that are customers or prospects for antenna solutions are cost conscious. As a result, our customers and prospects demand price cuts in established products and negotiate aggressively for lower pricing on new products. Because of the intense competition in the antenna solution market, we encounter situations that lead to difficult price negotiations potentially resulting in lower margins than forecast. Our products generally cost more than our competitors' products. To address these pricing constraints and remain competitive, we must consistently design high quality antenna solutions that are deemed a better value than competing solutions, while also decreasing costs. We rely on a limited number of **CMs** ~~contract manufacturers~~ to produce and ship our products, and the failure to manage our relationships with these parties successfully could adversely affect our ability to market and sell our products. We outsource the manufacturing, assembly and some of the testing of our products. ~~We historically relied on two contract manufacturers~~ , ~~which are located in China, to manufacture, control quality of, and ship our products~~ . We have over the past two years engaged additional **CMs** ~~contract manufacturers~~ outside of China, including Vietnam and Mexico, to expand our capacity, and to diversify the ~~countries~~ **global regions** in which our products are manufactured **. These CMs are relied upon to manufacture, control quality of, and ship our products** . We do not have long- term contracts with these manufacturers that commit them to manufacture products for us and we have limited direct control over their activities. Furthermore, political unrest or political instability, military conflict in any country in which our CMs are located, ~~and continued~~ war between Russia and Ukraine **, and the conflict related to China and Taiwan, political unrest, tensions and uncertainty in the Middle East, and global and regional, terrorism or other geopolitical events** may have an adverse effect on our contract manufacturer' s ability to deliver quality products on time. Any significant change in our relationship with these manufacturers could have a material adverse effect on our business, operating results, and financial condition. We make substantially all of our purchases from our **CMs** ~~contract manufacturers~~ on a purchase order basis. Our **CMs** ~~contract manufacturers~~ are not required to manufacture our products for any specific period or in any specific quantity. We expect that it would take approximately six to nine months to transition manufacturing, quality assurance, and shipping services to new providers. Relying on **CMs** ~~contract manufacturers~~ for manufacturing, quality assurance, and shipping also presents significant risks to us, including the inability of our **CMs** ~~contract manufacturers~~ to: • qualify appropriate component suppliers; • manage capacity during periods of high demand; • meet delivery schedules; • assure the quality of our products; • ensure adequate supplies of materials; • protect our intellectual property; and • deliver finished products at agreed- upon prices. Any failure by us or our **CMs** ~~contract manufacturers~~ to timely deliver products of satisfactory quality or in sufficient quantities in compliance with applicable laws could hurt our reputation, cause customers to cancel orders or refrain from placing new orders for our products, which could have a material adverse effect on our business, operating results, and financial condition. We may experience delays in obtaining product from manufacturers and may not be a high priority for our manufacturers. The ability and willingness of our **CMs** ~~contract manufacturers~~ to perform is largely outside of our control. We believe that our orders may not represent a material portion of our **CMs** ~~contract manufacturers~~ ' total orders and, as a result, fulfilling our orders may not be a priority if our **CMs** ~~contract manufacturers~~ are constrained in their abilities or resources to fulfill all of their customer obligations in a timely manner. If any of our **CMs** ~~contract manufacturers~~ suffers an interruption in its business, experiences delays, disruptions, or quality control problems in its manufacturing operations or we have to change or add additional **CMs** ~~contract manufacturers~~ , our ability to ship products to our customers would be delayed and our sales could become volatile and our cost of sales may increase. For example, throughout 2021 and 2022, we experienced a disruption in our supply chain for certain components located in Asia and made several purchases of available inventory in order to secure supply for our customers, sometimes at higher than our traditional prices. ~~In addition, in the first and second quarters of 2021, NimbeLink transitioned the manufacture of certain products from existing manufacturers in the United States and China to Vietnam.~~ Additionally, any or all of the following could either limit supply or increase costs, directly or indirectly, to us or our **CMs** ~~contract manufacturers~~ : ~~• labor strikes or shortages, or restrictions imposed to limit the COVID- 19 pandemic or other disease epidemics;~~ • financial problems of either **CMs** ~~contract manufacturers~~ or component suppliers; • reservation of manufacturing capacity at our contract manufactures by other companies, inside or outside of our industry; • changes or uncertainty in tariffs, economic sanctions, and other trade barriers, political unrest, or military conflict in regions where manufacturers are located ~~, such as recent developments in Myanmar~~ ; and potential conflicts involving other countries in Asia such as China and Taiwan; ~~and~~ • industry consolidation occurring within one or more component supplier markets, such as the semiconductor market ~~.~~ **; and • labor strikes** ~~For~~ **or** ~~example~~ **shortages** , ~~in the first quarter of 2021 we experienced delays for~~ **or restrictions imposed** ~~certain of our product shipments from China as a result of the extension of the lunar new year holidays due~~ to **limit** ~~the~~

~~COVID- 19~~ pandemic **or epidemics** . We cannot predict with certainty **in the future** whether ~~such~~ **a pandemic or epidemic will cause** delays **or** ~~will occur in the future, and although we are monitoring the situation, it is currently unknown whether the pandemic will continue to~~ disrupt our product shipments or impact manufacturing ~~in the region over a prolonged period. Furthermore, throughout 2021 and 2022, NimbeLink has experienced certain supply constraints and delays at the module supplier level due to a global shortage of semiconductor chips, and further shortages could result in a failure to provide timely delivery to our customers~~ . If such disruption were to extend over a prolonged period, it could have a material impact on our sales and business and those of our customers. ~~Our contract manufacturers purchase some components, subassemblies and products from a single or limited number of suppliers. The loss of any of these suppliers may substantially disrupt our ability to obtain orders and fulfill sales as we design in and qualify new components.~~ We rely on third- party components and technology **companies** to ~~build and operate~~ **provide contents of** our ~~products~~ **bills of material to that ultimately configure the devices that are deployed in our integrate solutions. Thus** , ~~and~~ we rely on our **CMs** ~~contract manufacturers~~ to obtain the components ~~,~~ **and** subassemblies ~~, and products~~ necessary for the manufacture of our ~~products~~ **devices** . Throughout 2021 and 2022, we ~~have~~ experienced shortages in supply of components we use in our products. **In 2023 we saw relief on supply disruptions due to overcorrection.** A ~~continuation of~~ **return to** such shortages or other supply disruptions are possible, as well as inflation of prices of certain components, and our ability to predict the availability and pricing of such components is limited. Over the past ~~two~~ **three** years, there have been and continue to exist **fluctuations between** shortages of certain electronic components used in our industry **and a surplus** that have led to ~~longer than normal~~ **ongoing uncertainty regarding** lead times for the manufacture of certain components in some of our products. If shortages ~~continue~~ **return** or occur in the future, as ~~they have in the past~~ , our business, operating results and financial condition would be materially adversely affected. Unpredictable price increases of such components due to market demand may ~~continue to~~ occur as well. While components and supplies are generally available from a variety of sources, our **CMs** ~~contract manufacturers~~ depend on a single or limited number of suppliers for several components for our products. Further, certain products may utilize custom components available from only one or a limited number of sources. When a component or product uses new technologies, capacity constraints may exist until the suppliers' manufacturing capacity has increased. Many factors may affect the continued availability of these components at acceptable prices, including if those suppliers decide to concentrate on the production of common components instead of components customized to meet our requirements. There is no assurance that the supply of such components will not be delayed or constrained. If our suppliers of these components or technology were to enter into exclusive relationships with other providers of wireless networking equipment or were to discontinue providing such components and technology to us and we were unable to replace them cost effectively, or at all, our ability to provide our products would be impaired. Additionally, poor quality in any of the single or limited sourced components in our products could result in lost sales or lost sales opportunities. Our **CMs** ~~contract manufacturers~~ generally rely on purchase orders rather than long- term contracts with these suppliers. As a result, even if available, our **CMs** ~~contract manufacturers~~ may not be able to secure sufficient components at reasonable prices or of acceptable quality to build our products in a timely manner. Therefore, we may be unable to meet customer demand for our products, which would have a material adverse effect on our business, operating results, and financial condition. We rely significantly on channel partners to sell and support our products, and the failure of this channel to be effective could materially reduce our sales. We believe that establishing and maintaining successful relationships with these channel partners is, and will continue to be, important to our financial success. Recruiting and retaining qualified channel partners and training them in our technology and product offerings require significant time and resources. To develop and expand our channel, we must continue to scale and improve our processes and procedures that support our channel partners, including investment in systems and training. Existing and future channel partners will only work with us if we are able to provide them with competitive products on terms that are commercially reasonable to them. If we fail to maintain the quality of our products or to update and enhance them, existing and future channel partners may elect to work instead with one or more of our competitors. ~~For instance, AT & T is no longer actively selling our AC- HPUE to its customers and we have seen a decrease in sales activity in response.~~ If ~~other~~ channel partners stop actively selling our products, we may experience further decline in sales. In addition, the terms of our arrangements with our channel partners must be commercially reasonable for both parties. If we are unable to reach agreements that are beneficial to both parties, then our channel partner relationships will not succeed. We have no minimum purchase commitments with any of our channel partners, and our contracts with channel partners do not prohibit them from offering products or services that compete with ours, including products they currently offer or may develop in the future and incorporate into their own systems. Some of our competitors may have stronger relationships with our channel partners than we do, and we have limited control, if any, as to whether those partners use our products, rather than our competitors' products, or whether they devote resources to market and support our competitors' products, rather than our offerings. The reduction in or loss of sales by these channel partners could materially reduce our sales. If we fail to maintain relationships with our channel partners, fail to develop new relationships with other channel partners in new markets, fail to manage, train or incentivize existing channel partners effectively, fail to provide channel partners with competitive products on terms acceptable to them, or if these channel partners are not successful in their sales efforts, our sales may decrease and our operating results could suffer. Defects in our products or poor design and engineering services could result in lost sales and subject us to substantial liability. Our advanced wireless connectivity technologies and systems are a critical element in determining the operating performance of our customers' products. If our connectivity solutions perform poorly, whether due to design, engineering, placement, failure to properly support the products, or other reasons, we could lose sales. In certain cases, if our connectivity solutions are found to be the component that leads to failure or a failure to meet the performance specifications of our customer, we could be required to pay monetary damages to our customer. Real or perceived defects or errors in our connectivity solutions could result in claims by channel partners and customers for losses they sustain. If channel partners or customers make these types of claims, we may be required, or may choose, for customer relations or other reasons, to expend additional resources to help correct the problem, including warranty and repair costs, process management costs and costs associated with remanufacturing our inventory. Liability provisions in our standard terms and conditions of sale may not be enforceable under some circumstances or may not fully or effectively protect us from claims and related liabilities and costs. In addition, regardless of the party at fault, errors of these kinds divert the attention of our engineering personnel from our product development efforts, damage our reputation and the reputation of our products, cause significant customer relations problems and can result in product liability claims. We maintain insurance to protect against certain types of claims associated with the use of our products, but our insurance coverage may not adequately cover any such claims. In addition, even claims that ultimately are unsuccessful could result in expenditures of funds in connection with litigation and divert management' s time and other resources. We also may incur costs and expenses relating to a recall of one or more of our products. The process of identifying recalled products that have been widely distributed may be lengthy and require significant resources, and we may incur significant replacement costs, contract damage claims from our customers and significant harm to our reputation. The occurrence of these problems could result in the delay or loss of market acceptance of our products and could adversely affect our business, operating results and financial condition. The loss of key personnel or an inability to attract, retain and motivate qualified personnel may impair our ability to expand our business. Our success depends upon the continued service and performance of our senior management team and key technical, marketing and production personnel. ~~For example,~~ **We have experienced management turnover** in **the past** ~~March 2022, David Lyle, our Chief Financial Officer and Secretary, resigned. In October 2022, we hired Michael Elbaz to be our Chief Financial Officer and Secretary~~ . The replacement of any member of our senior management team or other key employees or consultants involves significant time and costs and may significantly delay or prevent the achievement of our business objectives. Our future success also depends, in part, on our ability to continue to attract, integrate and retain highly skilled personnel. Competition for highly skilled personnel, especially our design and technical personnel is frequently intense. As the source of our technological and product innovations, our design and technical personnel represent a significant asset. Any inability to retain, attract or motivate such personnel could have a material adverse effect on our business and results of operations. Further, competition for highly skilled personnel is frequently intense. Any difficulties in obtaining or retaining human resource competencies we need to achieve our business objectives may have an adverse effect on our performance ~~with Craig- Hallum~~ **Our inability to raise additional** ~~Capital~~ **capital** ~~Group LLC (~~ **on acceptable terms in** the **future** ~~Agent),pursuant to which we~~ may ~~,~~ **limit our ability to develop and commercialize new solutions and technologies and expand our operations.If our available cash balances and anticipated cash flow** from ~~time~~ **operations are insufficient** to **satisfy** ~~time,sell shares of~~ our **liquidity requirements,including because** ~~common stock having an aggregate offering price~~ of ~~up to $ 5 million~~ **lower demand for our products as a result of other risks described** in **this** " **Risk Factors** ~~at the market~~ " **section and elsewhere in this annual report,we may seek to raise additional capital through equity** offerings ~~through or to the Agent~~ , **debt financings** ~~as sales agent or principal.However~~ , **collaborations or licensing arrangements.We may also consider raising additional capital in** ~~there~~ -- **the** ~~can be no assurance that the Agent will be successful in consummating~~ future **due to liquidity** ~~sales based on prevailing market conditions~~ **considerations or to expand** ~~or~~ **our business** ~~in the quantities or at the prices that we deem appropriate.In addition~~ , ~~the Sales Agreement may be terminated by us~~ **pursue strategic investments,take advantage of financing opportunities,** or ~~the Agent at any time upon specified notice to the~~ other **reasons** ~~party,or by the Agent at any time in certain circumstances,including the occurrence of a material adverse change~~ .Additional funding may not be available to us on acceptable terms,or at all.If we raise funds by issuing equity securities,dilution to our stockholders could result.Any equity securities issued also may provide for rights,preferences or privileges senior to those of holders of our common stock.The terms of debt securities issued,or borrowings could impose significant restrictions on our operations.The incurrence of indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in restrictive covenants,such as limitations on our ability to incur additional debt or issue additional equity,limitations on our ability to acquire or license intellectual property rights,and other operating restrictions that could adversely affect our ability to conduct our business.In addition,the issuance of additional equity securities by us,or the possibility of such issuance,may cause the market price of our common stock to decline.The global credit and financial markets have ~~in the past~~ experienced extreme volatility and disruptions (including as a result of **the ongoing COVID- 19** pandemic, **the** war **between Russia** and ~~conflict~~ **Ukraine** and liquidity concerns regarding financial institutions and others in the financial services industry).If the equity and credit markets are volatile or deteriorate,or if adverse developments are experienced by financial institutions,it may make any necessary debt or equity financing more difficult to obtain,more costly,more onerous with respect to financial and operating covenants,and more dilutive.If we do not have,or are not able to obtain,sufficient funds,we may have to delay development or commercialization of our products or license to third parties the rights to commercialize products or technologies that we would otherwise seek to commercialize.If we raise additional funds through collaboration and licensing arrangements with third parties,it may be necessary to relinquish some rights to our technologies or our products,or to grant licenses on terms that are not favorable to us.If we are unable to raise adequate funds,we may have to liquidate some or all of our assets,or delay,reduce the scope of or eliminate some or all of our development programs.We also may have to reduce marketing;customer support or other resources devoted to our products or cease operations.Any of these actions could harm our business,operating results **and financial condition.** . If we raise additional capital through credit facilities or debt financing, the terms of any new debt could further restrict our ability to operate our business. We may enter into credit facilities with banks or secure other debt financing that could require us to provide a security interest in our assets and / or place restrictions on our operating and financial flexibility. Any such credit facility or debt instrument could contain customary affirmative and negative covenants and events of default applicable to us and our subsidiaries. The affirmative covenants could include, among others, covenants requiring us and our subsidiaries to maintain our respective legal existence and governmental approvals, deliver certain financial reports, maintain insurance coverage, keep inventory, if any, in good and marketable condition and protect material intellectual property. The negative covenants could include, among others, restrictions on us and our subsidiaries from transferring collateral, incurring additional indebtedness, engaging in mergers or acquisitions, paying dividends or making other distributions, making investments, creating liens, selling assets and making any payment on subordinated debt, in each case subject to certain exceptions. If we default under the facility or debt instrument, the lender or debtholders may accelerate all of our repayment obligations and take control of our pledged assets, potentially requiring us to renegotiate the facility or debt on terms less favorable to us or to immediately cease operations. Further, if we are liquidated, the lender' s or debt holders' right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. The lender or debt holders could declare a default upon the occurrence of any event that they interpret as a material adverse effect as defined under the applicable agreement, thereby requiring us to repay the loan or debt immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by the lender or debtholders of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. ~~.~~ Our business may suffer if our strategic alliances are not successful.We enter into strategic alliances and other relationships with companies whose capabilities complement our own.The objectives and goals for a strategic alliance can include one or more of the following:technology exchange,product development,joint sales and marketing,or new- market creation.To be successful,we must first be able to define,identify and secure alliance partners which align with our growth and technological plans.We cannot be certain that our alliance partners will provide us with the support we anticipate,or that such alliance or other relationships will be successful in creating new or improved products.Our success is also highly dependent upon our ability to manage the alliances,promote the benefits to us,and to not prohibit or discourage other opportunities which may be beneficial to us in the future.Also,certain provisions of alliance agreements may include restrictions that limit our ability to independently pursue or exploit the developments under such strategic alliances.If a strategic alliance fails to perform as expected or if the relationship is terminated,we could experience delays in new product development or impairment of our relationships with customers,and our ability to develop new solutions in response to industry trends or changing technology may be impaired and our results of operations could be adversely affected.We are developing a number of our new products and wireless connectivity solutions in partnership with other companies.If any of these companies were to fail to perform,or our partnerships were to be unsuccessful,we may not be able to bring our ~~product~~ solutions to market successfully or on a timely basis.We have partnered,and expect to continue to partner,with certain companies to further advance or develop our wireless connectivity solutions and develop or expand on new and existing technologies.These arrangements involve the commitment by each company of various resources,including technology,and research and development.If these arrangements do not develop as expected,especially those that involve our proprietary technologies,or if the products and / or services produced by our partners do not meet the required quality standards,our ability to introduce new antenna products and wireless connectivity solutions successfully and on schedule may be limited.Further,we cannot provide any assurances that our existing partnerships will be maintained successfully or at all,the failure of which could have a material adverse effect on our business and results of operations. ~~For example,we rely on Assured Wireless Corporation and the ability to utilize AT & T' s FirstNet platform in order to deliver reliable connections for our AC- HPUE product.~~ If ~~Assured Wireless Corporation~~ **existing partnership entity** has any technical difficulties,if our partnership with them does not continue to develop,or if the technology developed in **partnership does not develop or the partnership entity does not perform as expected or suffers market- launch delay or project- cost overrun,our sales may decrease and our operating results could suffer.** We are subject to the risk that third- party consultants will not perform their tasks effectively and that we will be unsuccessful in operating our business as a result. We have in the past relied on third parties, such as sales consultants and engineering contractors, for a portion of the design and sales and marketing of our products. In the future, we may rely on third- party consultants in addition to our own employees to perform the daily tasks necessary to operate our business in certain areas, including sales and engineering, and cannot ensure that third- party consultants will be able to complete their work for us in a timely manner. The failure of any third- party consultants to perform as anticipated could result in substantial costs, divert management' s attention from other strategic activities, or create other operational or financial problems for us. Terminating or transitioning arrangements with key consultants could result in additional costs and a risk of operational delays, potential errors and possible control issues as a result of the termination or during the transition. Accordingly, our reliance on third parties exposes us to the risk that our business will be unsuccessful if they do not design and sell our product as expected. Our acquisitions expose us to risks that could adversely affect our business and adversely affect our operating results, financial condition, and cash flows. As part of our strategy to develop and identify new products, services and technologies, we have made, and may continue to make, acquisitions of select assets and businesses. ~~For example, we completed the acquisition of NimbeLink in January 2021 and we acquired the Antenna Plus assets in April 2017. We may not be able to integrate any acquired business that we may acquire successfully or operate such acquired business profitably.~~ Integrating any newly acquired business could be expensive and time- consuming. Integration efforts often take a significant amount of time, place a significant strain on managerial, operational and financial resources and could prove to be more difficult or expensive than predicted. The diversion of management' s attention and any delay or difficulties encountered in connection with any future acquisitions we may consummate could result in the disruption of on-going business or inconsistencies in standards and controls that could negatively affect our ability to maintain third- party relationships. When pursuing acquisitions, we may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. Moreover, we may need to raise additional funds through public or private debt or equity financing, or issue additional shares, to acquire any businesses or products, which may result in dilution for stockholders or the incurrence of indebtedness. Any acquisitions we complete, may not ultimately strengthen our competitive position or achieve our goals, and could be viewed negatively by our end- customers, investors and financial analysts. Acquisitions involve many risks. An acquisition may negatively affect our operating results, financial condition or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition . Our business may suffer if our...... decrease and our operating results could suffer . Our ability to use our net operating loss carryforwards and tax credit carryforwards to offset future taxable income or income tax liabilities for U. S. federal income tax purposes may be subject to limitations, and transfers of shares of our common stock could cause us to experience an " ownership change " that could limit our ability to utilize our net operating loss carryforward and tax credit carryforwards. As of December 31, ~~2022~~ **2023** , we had net operating loss **(NOL)** carryforwards ~~, or NOLs,~~ of $ ~~21~~ **23** . ~~6~~ **2** million for federal income tax purposes and $ ~~9~~ **11** . ~~6~~ **5** million for state income tax purposes, subject to limitations may be available to offset our future taxable income, if any. Our federal and state ~~NOLs~~ - **NOL carryforwards** begin to expire in 2026. Federal NOLs generated in taxable years beginning after December 31, 2017, however will carryforward indefinitely and may generally only be used to offset 80 % of taxable income in taxable years beginning after December 31, 2020. As of December 31, ~~2022~~ **2023** , we also had federal and state research and development and other tax credit carryforwards of approximately $ 2. ~~0~~ **1** million and $ 1. ~~7~~ **8** million, respectively, available to reduce future income tax liabilities, subject to limitations. Our federal tax credit carryforwards begin to expire in 2026 and our state tax credits will carryforward indefinitely. These NOL and tax credit carryforwards could expire unused, to the extent subject to expiration, and be unavailable to offset future taxable income or income tax liabilities. In addition, in general, under Sections 382 and 383 of the U. S. Internal Revenue Code of 1986, as amended **(** ~~, or~~ the Code **)** , a corporation that undergoes an " ownership change " is subject to limitations on our ability to use pre- change NOL and tax credit carryforwards to offset future taxable income and income taxes **, respectively** . For these purposes, an ownership change generally occurs where the aggregate change in stock ownership of one or more stockholders or groups of stockholders owning at least 5 % of a corporation' s stock exceeds 50 percentage points over a rolling three- year period. ~~We completed an ownership change analysis pursuant to IRC Section 382 of the Code through our taxable year ended December 31, 2022, and determined we had undergone an ownership change on June 30, 2017 and on January 7, 2021. As of December 31, 2022, the NOL and tax credit carryforwards of $ 23. 6 million is subject to an annual limitation pursuant to Sections 382 and 383 of the Code until December 31, 2023.~~ The Company ~~'~~ **'** s use of federal and state ~~NOLs~~ - **NOL** and tax credit carryforwards could be limited further by ownership changes ~~that occur after December 31, 2022~~ . We have recorded **a** $ ~~11~~ **14** . ~~9~~ **6** million valuation allowance related to our NOL carryforwards and other deferred tax assets due to the uncertainty of the ultimate realization of the future tax benefits of such assets. If we are unable to implement and maintain effective internal control over financial reporting in the future, the accuracy and timeliness of our financial reporting may be adversely affected. In addition, because of our status as a non- accelerated filer, you will not be able to depend on any attestation from our independent registered public accounting firm as to our internal control over financial reporting for the foreseeable future. The Sarbanes- Oxley Act of 2002, as amended **(** ~~, or~~ the Sarbanes- Oxley Act **)** , requires, among other things, that we maintain effective disclosure controls and procedures and controls over financial reporting. In particular, we are required to perform system and process evaluations and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes- Oxley Act. We are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting which began for our fiscal year ending December 31, 2017. However, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act until the time we are no longer considered a non- accelerated filer. Accordingly, you will not be able to depend on any attestation concerning our internal control over financial reporting from our independent registered public accounting firm for the foreseeable future. Compliance with environmental matters and worker health and safety laws could be costly, and noncompliance with these laws could have a material adverse effect on our operating results, expenses and financial condition. Some of our operations use substances regulated under various federal, state, local and international laws governing the environment and worker health and safety, including those governing the discharge of pollutants into the ground, air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated sites. Some of our products are subject to various federal, state, local and international laws governing chemical substances in electronic products. We could be subject to increased costs, fines, civil or criminal sanctions, third- party property damage or personal injury claims if we violate or become liable under environmental and / or worker health and safety laws. If we are unable to manage our......, operating results and financial condition. Our business and prospects depend on the strength of our market efforts and our brand. Failure to maintain and enhance our brand would harm our ability to maintain and expand our base of customers. Maintaining and enhancing our brand is important to maintaining and expanding our base of customers who purchase our products. This will depend largely on our ability to continue to provide high- quality solutions, and we may not be able to do so effectively. While we may engage in a broader marketing campaign to further promote our brand, this effort may not succeed. Our efforts in developing our brand may be affected by the marketing efforts of our competitors. If we are unable to cost- effectively maintain and increase awareness of our brand, our business, results of operations and financial condition could be harmed. Our brand may be impaired by other factors, including product malfunctions. Any inability to effectively police our trademark rights against unauthorized uses by third parties could adversely impact the value of our trademarks and our brand recognition. If we fail to maintain and enhance our brand, or if we need to incur unanticipated expenses to establish our brand in new markets, our operating results would be negatively affected from reduced sales and increased marketing expenses. Our financial condition and results of operations could be adversely affected by **the** outbreak of contagious ~~disease~~ **diseases , including** ~~such as the COVID- 19 pandemic~~ **pandemics** ~~which has had an~~ **and epidemics** ~~impact on our business operations and our business could continue to be materially affected, directly or indirectly~~ . Our business could be adversely affected by the effects of a widespread outbreak of contagious disease, including **any pandemic or epidemic. For example,** the ~~outbreak of~~ COVID- 19 ~~, which~~ **pandemic in 2020** created considerable instability and disruption in the U. S. and world economies ~~. The continued spread of COVID- 19~~ and ~~its related effects on our business have~~ had a material and adverse effect on our business **and** operations ~~and our~~

~~business could continue to be materially affected, directly or indirectly. Governmental authorities in impacted regions have taken actions in the past, and could continue to take actions, in an effort to slow COVID- 19' s spread, resulting in business closures and a limit on consumer and employee travel. Any outbreak of contagious diseases, and other adverse public health developments could have a material and adverse effect on our business operations. Throughout 2020 and through 2022, we continued to take actions and make efforts to contain the spread of COVID- 19, including taking recommended actions in our offices and with our employees based in the U. S. as well as those in China, as did our contract manufacturers. Our workers and facilities, as well as those of our contract manufacturers, have returned substantially to full function with precautions in place to help prevent outbreak or spread of the virus. In the United States, most of our employees in the San Diego office have returned to our offices and resumed normal activities while monitoring for symptoms of COVID- 19 as well as other contagious diseases. Our sales representatives have returned to traveling to see customers, while also continuing to engage with customers in order to secure sales of, and opportunities for, our products and services~~ . The COVID- 19 pandemic ~~has previously~~ caused ~~, and may again cause, a~~ disruption and restrictions on our **and our customers'** ability to travel, temporary closures of our office buildings and the facilities of our customers or suppliers, cancellations or modification of key industry marketing events, ~~and~~ disruptions with our **CMs** ~~contract manufacturers~~ and suppliers located in **affected regions** ~~Asia. Related to sales, we have also seen disruptions~~ and **overall** ~~delays in shipments and product launches, throughout 2020, 2021 and periodically in 2022. Such disruptions of our customers, suppliers, and contract manufacturers have had a negative impact on our sales and operating results and may also have a negative effect in future quarters. The impact of the COVID- 19 pandemic or other epidemic diseases on the U. S. and world economies generally, and our future results in particular, could be significant and will largely depend on future developments, which are highly uncertain and cannot be predicted at this time. To the extent the COVID- 19 pandemic continues to~~ adversely affect **development of and sales for our products and solutions. Future pandemics or other public health epidemics may have material adverse effect on** our business ~~and~~ **,** financial **condition and** results **of operations** , ~~it~~ **and** may also have the effect of heightening many of the other risks described in this " Risk Factors " section. Risks Relating to Intellectual Property If we are unable to protect our intellectual property rights, our competitive position could be harmed, or we could be required to incur significant expenses to enforce our rights. Our ability to compete effectively is dependent in part upon our ability to protect our proprietary technology. We rely on patents, trademarks, trade secret laws, confidentiality procedures and licensing arrangements to protect our intellectual property rights. There can be no assurance these protections will be available in all cases or will be adequate to prevent our competitors from copying, reverse engineering or otherwise obtaining and using our technology, proprietary rights or products. For example, the laws of certain countries in which our products are manufactured or licensed do not protect our proprietary rights to the same extent as the laws of the United States. In addition, third parties may seek to challenge, invalidate or circumvent our patents, trademarks, copyrights and trade secrets, or applications for any of the foregoing. There can be no assurance that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology or design around our proprietary rights. In each case, our ability to compete could be significantly impaired. To prevent substantial unauthorized use of our intellectual property rights, it may be necessary to prosecute actions for infringement and / or misappropriation of our proprietary rights against third parties. Any such action could result in significant costs and diversion of our resources and management' s attention, and there can be no assurance we will be successful in such action. Furthermore, many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Claims by others that we infringe their intellectual property rights could harm our business. Our industry is characterized by vigorous enforcement and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. Third parties may in the future assert claims of infringement of intellectual property rights against us or against our customers or channel partners for which we may be liable. As the number of products and competitors in our market increases and overlaps occur, infringement claims may increase. Intellectual property claims against us, and any resulting lawsuits, may result in our incurring significant expenses and could subject us to significant liability for damages and invalidate what we currently believe are our proprietary rights. Our involvement in any patent dispute or other intellectual property dispute or action to protect trade secrets and know- how could have a material adverse effect on our business. Adverse determinations in any litigation could subject us to significant liabilities to third parties, require us to seek licenses from third parties and prevent us from manufacturing and selling our products. Any of these situations could have a material adverse effect on our business. These claims, regardless of their merits or outcome, would likely be time consuming and expensive to resolve and could divert management' s time and attention. We are generally obligated to indemnify our channel partners and end- customers for certain expenses and liabilities resulting from intellectual property infringement claims regarding our products, which could force us to incur substantial costs. We have agreed, and expect to continue to agree, to indemnify our channel partners and end- customers for certain intellectual property infringement claims regarding our products. As a result, in the case of infringement claims against these channel partners and end- customers, we could be required to indemnify them for losses resulting from such claims or to refund amounts they have paid to us. Our channel partners and other end- customers in the future may seek indemnification from us in connection with infringement claims brought against them. We will evaluate each such request on a case- by- case basis, and we may not succeed in refuting all such claims. If a channel partner or end- customer elects to invest resources in enforcing a claim for indemnification against us, we could incur significant costs disputing it. If we do not succeed in disputing it, we could face substantial liability. Risks Related to Data Privacy Because we collect, process, use and store information about individuals, including our customers' and our own employees, this creates data privacy compliance risks that could result in additional cost and liability to us. In the normal course of our business, we collect, process, use and disclose information about individuals. Many federal, state and foreign governmental bodies and agencies have adopted, or are considering adopting, laws and regulations that impose limits on the collection, processing, use, disclosure and security of information about individuals. In some cases, such laws and regulations can be enforced by private parties in addition to government entities. In addition, privacy advocacy and industry groups may propose new and different self- regulatory standards that either legally or contractually apply to us. These laws, regulations, and standards are complex and currently evolving, not uniform and likely to remain uncertain for the foreseeable future. In the United States, data privacy laws and regulations are promulgated at the federal and state level, some of which are enforced by the Federal Trade Commission (FTC) ~~, and federal financial regulatory bodies. For example, the Federal Trade Commission Act grants the FTC authority to enforce against unfair or deceptive practices, which the FTC has interpreted to require companies' practices with respect to personal information comply with the commitments posted in their privacy policies~~ . There are also laws regulating the use of personal ~~data~~ **information** for direct marketing purposes, including the Controlling the Assault of Non- Solicited Pornography and Marketing Act of 2003, which establishes specific requirements for commercial email messages, and the Telephone Consumer Protection Act, and the Telemarketing Sales Rule as interpreted and implemented by the FCC and United States courts, or TCPA, which imposes significant restrictions on the use of telephone calls and text messages to residential and mobile telephone numbers. At the state level, California enacted legislation, the California Consumer Privacy Act of 2018, or CCPA, which provides new data privacy rights for California consumers **and** ~~. Additionally,~~ the California Privacy Rights Act, or CPRA ~~, was approved by California voters in the November 3, 2020, election~~ , which took effect on January 1, 2023 ~~, and~~ **The CPRA** modifies the CCPA by providing significant new data privacy rights. The enactment of the CCPA is prompting a wave of similar legislative developments in other states in the United States, which **has** ~~creates~~ **created** the potential for a patchwork of overlapping but different state laws. ~~For example~~ **Since the CCPA went into effect** , **general privacy statutes that share similarities with the CCPA are now in effect and enforceable in** Virginia ~~has adopted a new~~ **, Colorado, Connecticut, and Utah, and will soon be enforceable in several other** ~~state~~ **states** ~~data protection act referred to~~ as **well. Many** ~~the~~ **other** ~~Virginia Consumer Data Protection Act, which is took effect on January 1, 2023. Colorado has adopted a new state~~ **states** ~~data protection~~ **are also currently reviewing or proposing the need for greater regulation of the collection, sharing, use and other processing of information related to individuals for marketing purposes or otherwise, and there remains increased interest** ~~act~~ - **at** ~~titled~~ the **federal level** ~~Colorado Privacy Act, which is set to take effect on July 1, 2023. Utah enacted the Utah Consumer Privacy Act, which takes effect on December 31, 2023, and Connecticut enacted a similar law, An Act Concerning Personal Data Privacy and Online Monitoring, which will take effect on July 1, 2023~~ . Foreign data protection laws, including the EU General Data Protection Regulation 2016 / 679, **(** ~~or the~~ GDPR ~~,~~ **)** and the U. K. data protection regime consisting primarily of the UK General Data Protection Regulation and the UK Data Protection Act 2018, or the UK GDPR, may also apply to other personal information obtained outside of the United States. Both the GDPR and the UK GDPR impose stringent requirements for entities processing personal ~~data~~ **information,** including specific requirements regarding transfers of data outside of the European Economic Area **(** ~~, or the~~ EEA **)** , and restrictions regarding the use of cookies and other e- marketing activities. In addition, there are other existing and proposed European laws and regulations regarding ePrivacy, that apply in addition to the GDPR and UK GDPR, to cookies and similar tracking technologies, electronic communications and marketing, These and other recent legal developments in Europe have created complexity and uncertainty regarding these laws **, the sufficiency of certain transfer mechanisms** and how to comply **. In addition to the EU, Asia has also the addition of data privacy legislation including China, Hong Kong, Japan, Singapore, and South Korea** . Although we are continuing to take steps to comply with these and future laws and regulations, the scope of many of the requirements remains unclear, can be subject to significant change or interpretive or enforcement application, and may be inconsistent from one jurisdiction to another, and regulatory guidance on several topics is still forthcoming. Therefore, we cannot assure you that such steps will be sufficient. Compliance with current and future laws and regulations may require changes to our collection, use, transfer, disclosure or other processing of information about individuals and systems, and may thereby increase compliance costs. If we are unsuccessful, whether actual or perceived, in our efforts to comply with these and future laws and regulations, we may incur substantial additional costs in compliance, reputational harm, affect the manner in which we provide our services, including the geographies we service, and be subject to complaints and / or regulatory investigations **(including orders to cease or change our processing of personal information)** , significant monetary liability, fines, penalties, regulatory enforcement, individual or class action lawsuits, public criticism, loss of customers, loss of goodwill or other additional liabilities, such as claims by industry groups or other third parties, which may have a material adverse effect on our business, operating results and financial condition. Risks Related to Our International Operations **We are subject to risks associated with international geopolitical and military conflicts. Our business has been impacted and may continue to be impacted by geopolitical conditions such as a resultant international trade wars (including between the United States and China), the military conflict in Israel, the Russia-Ukraine conflict, and increased political tensions with or related to Russia, Europe, the Middle East and Asia. Currently, significant uncertainty surrounds the future trade relationships among the United States, China, and Russia. Polices made by the U. S. government and policies made by other countries (such as China and Russia or their allies) may make significant changes in trade policies that could negatively affect our business. Global economic conditions and political tensions also have the ability to cause business disruptions. For example, sanctions remain imposed on trade with Russia and Belarus because of the war between Russia and Ukraine which has the potential to disrupt the supply of raw materials. Political tensions between China and western governments related to China and Taiwan, political unrest, tensions, and uncertainty in the Middle East, and global and regional, terrorism or other geopolitical events could have a range of negative impacts for the global economy. The price of oil which could impact transportation costs, raw materials supply chain, and the impact on central banks globally increasing interest rates significantly in an effort to combat inflation which has heightened concerns of a worsening global economic environment in the world. These situations could all lead to potential adverse impacts on a wide range of businesses and could disrupt supply chains and impact the businesses of our vendors and customers in ways that could impact our sales.** Our international sales and operations subject us to additional risks that can adversely affect our operating results and financial condition. For the year ended December 31, ~~2022~~ **2023** approximately ~~40~~ **39** % of our products, based on sales, are outside of North America, and we are continuing to expand our international operations as part of our growth strategy. We have limited sales personnel and sales and support operations in the United States, Asia, and Europe. In addition, we anticipate further expansion of our global presence and extending our salesforce reach internationally. Our ability to convince customers to expand their use of our antenna products is directly correlated to our direct engagement with our end- customers and our channel partners. To the extent we are unable to engage with non- U. S. customers effectively with our limited sales force capacity, we may be unable to grow sales to existing customers. Our international operations subject us to a variety of risks and challenges, including: increased management, travel, infrastructure and legal compliance costs associated with having multiple international operations; reliance on channel partners; increased financial accounting and reporting burdens and complexities; compliance with foreign laws and regulations; compliance with U. S. laws and regulations for foreign operations; and reduced protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad. Any of these risks could adversely affect our international operations, reduce our international sales or increase our operating costs, adversely affecting our business, operating results and financial condition and growth prospects. In addition, we are subject to risks related to regulation of exports, reexports and transfers of products, software or technology regulated under United States laws and regulations. From time to time, the U. S. Department of Commerce may impose licensing restrictions on certain parties with whom we conduct business, which may limit or prohibit our ability to continue these activities. For example, certain of our customers have been or are designated on the U. S. Department of Commerce' s Entity List and subject to licensing requirements in connection with exports, reexports, and transfers of US- regulated items. These designations may result in the loss or temporary loss of such customers and could have a material adverse effect on our business, financial condition and results of operations and affect our international sales strategy in China and elsewhere around the world. Although we undertake to conduct our business in compliance with applicable laws and regulations and have no knowledge of any issues of noncompliance with respect to export controls, our failure to successfully comply therewith may expose us to negative legal and business consequences, including civil or criminal penalties, government investigations, and reputational harm. We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws. Our products are subject to export control and import laws and regulations, including the U. S. Export Administration Regulations, U. S. Customs regulations and various economic and trade sanctions regulations administered by the U. S. Treasury Department' s Office of Foreign Assets Controls. Exports of our products must be made in compliance with these laws and regulations. If we violate these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers. In addition, if our channel partners, agents or consultants fail to obtain appropriate import, export or re- export licenses or authorizations, we may also be adversely affected through reputational harm and penalties. Obtaining the necessary authorizations, including any required license, for a particular sale may be time- consuming, is not guaranteed and may result in the delay or loss of sales opportunities. Changes in our products or changes in applicable export or import laws and regulations may also create delays in the introduction and sale of our products in international markets, prevent our end- customers with international operations from deploying our products or, in some cases, prevent the export or import of our products to certain countries, governments or persons altogether. Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries or territories, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our products, or in our decreased ability to export or sell our products to existing or potential end- customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business, financial condition and operating results. Furthermore, U. S. export control laws and economic sanctions prohibit the provision of certain products and services to countries and territories, governments, and persons targeted by U. S. sanctions. U. S. sanctions that have been or may be imposed, including as a result of military conflicts in other countries may impact our ability to sell our products within regions covered by such sanctions or with or involving targeted persons. Despite our compliance efforts and activities, we cannot assure compliance by our employees or representatives for which we may be held responsible. If we fail to comply with export and import regulations and such economic sanctions, penalties could be imposed, including, for example, fines and / or denial of certain export privileges. These export and import controls and economic sanctions could also adversely affect our manufacturers, suppliers and customers. We are subject to risks generally associated with having a global supply chain, including certain laws and regulations related to forced labor and human rights. In June 2022, the U. S. Uyghur Forced Labor Prevention Act ("UFLPA ") went into effect, which imposes a rebuttable presumption that goods produced in the Xinjiang Uyghur Autonomous Region of China or involving certain Chinese entities were produced using forced labor and prohibits importation of such goods into the United States absent clear and convincing evidence proving otherwise. UFLPA or other U. S. human rights trade restrictions could affect the sourcing and availability of products, lead to our products being held for inspection by CBP and delayed or rejected for entry into the United States, result in other supply chain disruptions, or cause us to be subject to penalties, fines or sanctions. In the future, these human rights- related trade restrictions may expand in the United States or extend beyond the United States. In September 2022, the European Union announced a similar proposal targeting goods within Europe created with forced labor, without specifying particular countries or sectors. The EU proposal, if passed and implemented, could similarly impact our supply chain. Even if we were not subject to penalties, fines or sanctions or supply chain disruption under these restrictions, if products we source are linked in any way to forced labor, our reputation could be harmed. On October 7, 2022, the Bureau of Industry and Security issued new export controls related to the Chinese semiconductor manufacturing, advanced computing, and supercomputer industries. The new export controls impose broad end-use and other restrictions on facilities in China that develop or produce semiconductor chips or manufacturing equipment, may impact our ability to license or support our products to entities in or doing business with certain advanced AI or " supercomputer " design companies, foundries and manufacturers of assemblies and components in China. We are still evaluating these complex new rules and are unable to quantitatively estimate any impacts at this time, but such restrictions, and any subsequent restrictions, may have an adverse effect on our business, results of operations, or financial condition. **Bureau of Industry and Security furthered restrictions on the export of certain advanced computing chips and manufacturing technology to China, focused on end- user with military, data center, or artificial intelligence applications. These export control changes of certain integrated circuits are now subject to export licensing and export control restrictions for export or reexport to China and certain other countries.** Furthermore, increased restrictions on China exports may lead to regulatory retaliation by the Chinese government and possibly further escalate geopolitical tensions, and any such scenarios may adversely impact our business. The prospect of future export controls that are implemented in a similar manner may continue to have an ongoing impact on our business, results of operation, or financial conditions. Changes to United States tax, tariff and import / export regulations may have a negative effect on global economic conditions, financial markets and our business. There have been significant changes and proposed changes to United States trade policies, treaties, tariffs and taxes, including trade policies and tariffs regarding China **, Russia, eastern Europe, the middle east, and Asia** . For example, the United States has imposed supplemental tariffs of up to 25 % on certain imports from China, as well as tariffs on steel and aluminum products imported from various other countries. **The United States may maintain or increase these tariffs or impose new ones.** In response, China and other countries have imposed or proposed additional tariffs on certain exports from the United States **, and it is unclear what future actions countries will or will not take with respect to trade policies, treaties, and tariffs** . We do a significant amount of business in China, including dealing with Chinese suppliers and customers, for the products that use imported components that are covered under these policies. **We have engaged** ~~Additionally, in 2020 we contracted with a~~ new **CMs** ~~contract manufacturer~~ outside of China **for** ~~, which gives us~~ additional supply chain diversity as well as an option of supply of components and assemblies for our ~~products~~ **wireless solutions** that can be imported to the United States without the supplemental tariff. However, these **contribute to** ~~and other proposed policy changes have created~~ significant uncertainty about the future relationship between the United States ~~and~~ **,** China, **and Taiwan** as well as other countries, including with respect to the trade policies, treaties, government regulations and tariffs that could apply to trade with those countries. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between these countries and the United States. Any of these factors could depress economic activity and restrict our access to suppliers or customers and have a material adverse effect on our business, financial condition and results of operations and affect our strategy in China and elsewhere around the world. New regulations or standards or changes in existing regulations or standards in the United States or internationally related to our products or our end- customer' s products may result in unanticipated costs or liabilities, which could have a material adverse effect on our business, operating results and future sales, and could place additional burdens on the operations of our business. Our products and our end- customers' products are subject to governmental regulations regarding radio frequency devices in many jurisdictions. To achieve and maintain market acceptance, our products, or our end- customers' products must continue to comply with these regulations and many industry standards designed to prevent interference with other radio services and to limit human exposure to harmful radiation. In the United States, our end- customers' products and our products (in cases where we provide devices that are end- device certified) must comply with such regulations issued by the Federal Communications Commission **(FCC)** before they can be marketed or sold, or imported into, the United States, and may also be required to conform to industry standards defined by industry associations or organizations, such as Underwriters Laboratories, for commercial acceptance. We and our end- customers must also comply with similar international regulations and standards. As these regulations and standards evolve, and if new regulations or standards are implemented, we may have to modify or redesign our products or our end- customers may have to modify their products, which could increase costs. The failure of our products or their products to comply, or cause delays in compliance, with the existing and evolving industry regulations and standards could prevent or delay introduction of our products or our antennas used in third- party products, which could harm our business. End- customer uncertainty regarding future policies may also affect demand for communications products, including our products. Moreover, channel partners or customers may require us, or we may otherwise deem it necessary or advisable, to alter our products to address actual or anticipated changes in the regulatory environment. Our inability to alter our products to address these requirements and any regulatory changes may have a material adverse effect on our business, operating results and financial condition. We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act and similar worldwide anti- bribery laws. We operate ~~in~~ directly and indirectly in several foreign countries **and are subject to anti- bribery laws in the jurisdiction in which we operate** . The U. S. Foreign Corrupt Practices Act, or FCPA, and similar anti- bribery laws generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business or an unfair business advantage; many anti- bribery laws also prohibit commercial bribery. **In addition, we are subject to the FCPA' s recordkeeping and internal controls requirements.** Practices in the local business communities of many countries in which we do business have a heightened level of corruption ~~. In addition, we are subject to the FCPA' s recordkeeping and internal controls requirements~~ . As part of our business, we may have direct or indirect sales to, and other interactions with, non- U. S. government agencies. Our policies mandate compliance with these anti- bribery laws and we have established policies and procedures **reasonably** designed to promote compliance with applicable anti- bribery law requirements; however, we cannot assure that our policies and procedures will protect us from violations committed by individual employees ~~or~~ **,** agents **or intermediaries** . Allegations or violations of anti- bribery law violations could result in costly investigations, criminal or civil penalties or other sanctions that could have a material adverse effect on our business and reputation. Risks Related to Our

Common Stock The price of our common stock may be volatile. The trading price of our common stock may be volatile and may fluctuate substantially in response to various factors. This may be especially true for companies with a small public float. As a result of this volatility, investors may not be able to sell their common stock at or above the price at which they paid. The trading price of our common stock depends on several factors, including those described in this " Risk Factors " section and elsewhere in this annual report, including: • price and volume fluctuations in the overall stock market from time to time; • volatility in the market prices and trading volumes of technology stocks; • changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular; • sales of shares of our common stock by us or our stockholders; • failure of financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors; • the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections; • announcements by us or our competitors of new products or new or terminated significant contracts, commercial relationships or capital commitments; • the development and sustainability of an active trading market for our common stock; • the public' s reaction to our press releases, other public announcements and filings with the SEC; • rumors and market speculation involving us or other companies in our industry; • actual or anticipated changes in our operating results or fluctuations in our operating results; • actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally; • litigation involving us, our industry or both or investigations by regulators into our operations or those of our competitors; • developments or disputes concerning our intellectual property or other proprietary rights; • announced or completed acquisitions of businesses or technologies by us or our competitors; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • changes in accounting standards, policies, guidelines, interpretations or principles; • any major change in our management; • general economic conditions and slow or negative growth of our markets; and • other events or factors, including those resulting from **outbreaks of contagious** ~~the COVID- 19 pandemic or other~~ disease ~~epidemics~~ , inflation and interest rate changes, financial institution instability, ~~war~~ **wars** , such as the war between Russia and Ukraine, ~~incidents of~~ **and the conflict related to China and Taiwan, political unrest, tensions and uncertainty in the Middle East, and global and regional,** terrorism or **other geopolitical** ~~responses to these~~ events. In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political and market conditions such as recessions or interest rate changes, may seriously affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this " Risk Factors " section and elsewhere in this annual report on Form 10- K could have a dramatic and material adverse impact on the market price for our common stock. In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management' s attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments. If securities or industry analysts issue an adverse opinion regarding our stock our stock price and trading volume could decline. The trading market for our common stock is influenced by the research and reports that securities or industry analysts may publish about us, our business, our market or our competitors. We currently have limited research coverage by securities and industry analysts. If any of the analysts who may cover us change their recommendation regarding our common stock adversely, or provide more favorable relative recommendations about our competitors, the trading price of our common stock would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price of our common stock or trading volume to decline. Anti- takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management and limit the market price of our common stock. Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Some of these provisions: • authorize our board of directors to issue, without further action by the stockholders, up to 10, 000, 000 shares of undesignated preferred stock and up to 200, 000, 000 shares of authorized common stock; • require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent; • specify that special meetings of our stockholders can be called only by our board of directors, the Chairman, the Chief Executive Officer or the President; • establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors; • establish that our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered terms; • provide that our directors may be removed only for cause; and • provide that vacancies on our board of directors may, except as otherwise required by law, be filled only by a majority of directors then in office, even if less than a quorum. In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15 % of our outstanding voting stock to merge or combine with us. Furthermore, our amended and restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. We believe this provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi- forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action. These anti- takeover provisions and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then- current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline. We have never paid cash dividends on our common stock, and we do not anticipate paying cash dividends in the foreseeable future. We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We currently intend to retain any future earnings to fund the growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant and subject to the restrictions contained in any loan or financing instruments. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for the foreseeable future. Our inability to raise additional capital on......, operating results and financial condition. We are a " smaller reporting company, " and if we take advantage of certain exemptions from disclosure requirements available to smaller reporting companies, this could make our stock less attractive to investors and may make it more difficult to compare our performance with other public companies. We are a " smaller reporting company " as defined in Item 10 (f) (1) of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, reduced executive compensation disclosures and providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our common stock held by non- affiliates equals or exceeds $ 250 million as of the prior June 30, or (2) our annual revenue equals or exceeds $ 100 million during such completed fiscal year and the market value of our common stock held by non- affiliates equals or exceeds $ 700 million as of the prior June 30. To the extent we take advantage of such reduced disclosure obligations, our stockholders may not have access to certain information they may deem important. It may also make comparison of our financial statements with other public companies difficult or impossible. If investors find our common stock less attractive as a result of our reliance on these exemptions, the trading prices of our common stock may be lower than they otherwise would be, there may be a less active trading market for our common stock and the trading prices of our common stock may be more volatile. We incur significant costs as a result of operating as a public company, and our management is required to devote substantial time to comply with the laws and regulations affecting public companies, particularly after we are no longer a smaller reporting company or a non- accelerated filer. As a public company, particularly after we cease to qualify as a smaller reporting company or non- accelerated filer, we incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting and corporate governance requirements, to comply with the rules and regulations imposed by the Sarbanes- Oxley Act and the Dodd- Frank Act, as well as rules implemented by the SEC and Nasdaq. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives and our legal and accounting compliance costs will increase. It is likely that we will need to hire additional staff in the areas of investor relations, legal and accounting. These new rules and regulations may make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are evaluating and monitoring developments regarding these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. For example, the Sarbanes- Oxley Act requires, among other things, that we maintain effective internal controls over financial reporting and disclosure controls and procedures. In particular, as a public company, we are required to perform system and process evaluations and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes- Oxley Act. As described above, as long as we are considered a non- accelerated filer, we will not need to comply with the auditor attestation provisions of Section 404. Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 will require that we incur substantial accounting expense and management time on compliance- related issues. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause our stock price to decline. Until December 31, 2021, we qualified for further exemptions and reduced disclosure requirements as an " emerging growth company, " as defined in the JOBS Act. Since we are no longer an emerging growth company, we ~~will~~ **are** no longer ~~be~~ exempt from certain requirements, including, without limitation, holding non- binding stockholder votes on executive compensation arrangements and compliance with new or revised accounting standards and audit requirements. We expect to incur additional expenses and devote increased management effort toward ensuring compliance with these requirements, as well as when the available exemptions for a smaller reporting company or a non- accelerated filer are no longer available to us. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs. General Risk Factors Litigation or legal proceedings could expose us to significant liabilities and damage our reputation. We may become party to litigation claims and legal proceedings. Litigation involves significant risks, uncertainties and costs, including distraction of management attention away from our current business operations. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. We caution you that actual outcomes or losses may differ materially from those envisioned by our current estimates. Our policies and procedures require strict compliance by our employees and agents with all United States and local laws and regulations applicable to our business operations, including those prohibiting improper payments to government officials. Nonetheless, there can be no assurance that our policies and procedures will always ensure full compliance by our employees and agents with all applicable legal requirements. Improper conduct by our employees or agents could damage our reputation in the United States and internationally or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines, as well as disgorgement of profits. A failure in our information technology systems could negatively impact our business. We rely on information technology to process, transmit, and store electronic and financial information and information about individuals, to manage a variety of business processes and activities, to maintain the financial accuracy of our records, and to comply with regulatory, legal and tax requirements. We also depend on our information technology infrastructure for digital marketing and sales activities and for electronic communications among our locations, personnel, customers, and suppliers around the world. ~~Many~~ **We own and manage some** of ~~the~~ **these** information technology systems **but also rely on third parties** ~~used by us globally have been in place~~ for ~~many years~~ **a range of information technology systems** and **related products and services, including but** not ~~all~~ **limited to cloud computing services. Third party products including cloud computing services and** hardware **come with risks that Airgain continuously monitors to ensure industry best practices are in use** and ~~software is currently supported by vendors~~ **consistent with replacement cycles to mitigate these risks**. These information technology systems are susceptible to damage, disruptions, or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, computer viruses, cyber- attacks, telecommunication failures, defects, errors, catastrophic events, terrorism or war, such as the conflict between Russia and Ukraine, which according to United States government sources and others has resulted in a heightened risk of cyberattacks against companies like ours. If our information technology systems suffer severe damage, disruption, or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, our product sales, financial condition, and results of operations may be materially affected, and we could experience delays in reporting our financial results. Information technology security threats are increasing in frequency, persistence, intensity and sophistication. We **and our third party service providers** may also experience information technology security threats that may remain undetected for an extended period. Any perceived or actual compromise, breach, or misuse of our **or our third party service providers'** systems or information could cause us to incur damage to our reputation, and expose us to a risk of loss or litigation (including by our customers) and possible monetary liability, affect the manner in which we provide our services, and subject us to complaints and / or regulatory investigations, fines, penalties, regulatory enforcement, individual or class action lawsuits, public criticism, loss of customers, loss of goodwill or other additional liabilities, and could adversely affect our business, results of operations, financial condition and prospects. We may also incur significant costs to notify, in particular, affected individuals, maintain our security precautions and / or to correct problems caused by the compromise, breach or misuse of our systems or information. The costs of any compromise, breach or misuse of our systems or information could exceed our available insurance coverage, or could result in denial of coverage as to any specific claim, or a change or cessation in our insurance policies and coverages, including premium increases or the imposition of large deductible requirements **. And any failure by our third party information technology providers, or any other entity in our collective supply chain, to prevent or mitigate security breaches or improper access to, or use, acquisition, disclosure, alteration, or destruction of, systems or information could have similar adverse consequences for us**. To date, we have seen no material impact on our business or operations from these information technology security threats. Any future significant compromise, breach, or misuse of our data security could result in significant costs and damage to our reputation **, and could materially adversely affect our business, results of operations, and financial condition**. The ever- evolving threats mean us, and our third- party service providers must continually evaluate and adapt our respective systems and processes and overall security environment, as well as those of any companies we acquire. There is no guarantee that these measures will be adequate to safeguard against all data security compromises, breaches, or misuses. Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events. Our corporate headquarters are located in Southern California, ~~three~~ **some** of our **CMs** ~~contract manufacturers~~ are located in eastern Asia, both regions known for seismic activity. A significant natural disaster, such as an earthquake, a fire or a flood, occurring near our headquarters, or near the facilities of our **CMs** ~~contract manufacturers~~, could have a material adverse impact on our business, operating results and financial condition. Changes in tax law may materially adversely affect our financial condition, results of operations and cash flows. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, or interpreted, changed, modified or applied adversely to us, any of which could adversely affect our business operations and financial performance. The likelihood of these changes being enacted or implemented is unclear. We are currently unable to predict whether such changes will occur. If such changes are enacted or implemented, we are currently unable to predict the ultimate impact on our business. We urge our investors to consult with their legal and tax advisors with respect to any changes in tax law and the potential tax consequences of investing in our common stock. ~~The Inflation Reduction Act 2022 which incorporates a Corporate Alternative Minimum Tax (CAMT) was signed on August 16, 2022. The changes will affect for the tax years beginning after December 31, 2022. The new tax will require companies to compute two separate calculations for federal income tax purposes and pay the greater of the new minimum tax or their regular tax liability. The Company will be monitoring the impacts of the act to determine if this will have an impact for the Company for years beginning after December 31, 2022. As of year- end it is not expected to have a material impact for the Company.~~ Our business, operating results and growth rates may be adversely affected by current or future unfavorable economic and market conditions and adverse developments with respect to financial institutions and associated liquidity risk. Our business depends on the economic health and general willingness of our current and prospective end- customers to make those capital commitments necessary to purchase our products. If the conditions in the U. S. and global economies ~~remain~~ **become** uncertain or ~~continue to be~~ volatile, or if they deteriorate, including as a result of the current or anticipated impact of military conflict, **including** ~~such as~~ the war between Russia and Ukraine **, and the conflict related to China and Taiwan, political unrest, tensions and uncertainty in the Middle East, and global and regional** , terrorism or other geopolitical events, our business, operating results and financial condition may be materially adversely affected. Economic weakness, end- customer financial difficulties, inflation and increases in interest rates, limited availability of credit, liquidity shortages and constrained capital spending have at times in the past resulted, and may in the future result, in challenging and delayed sales cycles, slower adoption of new technologies and increased price competition, and could negatively affect our ability to forecast future periods, which could result in an inability to satisfy demand for our products and a loss of market share. In addition, if interest rates ~~continue to~~ rise or foreign exchange rates weaken for our international customers, overall demand for our products and services could decline and related capital spending may be reduced. Furthermore, any increase in worldwide commodity prices may result in higher component prices for us and increased shipping costs, both of which may negatively affect our business, operating results and financial condition. ~~More recently~~ **In addition** , the closures **in 2023** of **financial institutions** ~~SVB and Signature Bank~~ and their placement into receivership with the FDIC created bank- specific and broader financial institution liquidity risk and concerns. ~~Although the Department of the Treasury, the Federal Reserve and the FDIC jointly released a statement that depositors at SVB and Signature Bank would have access to their funds, even those in excess of the standard FDIC insurance limits, under a systemic risk exception, future~~ **Future** adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market- wide liquidity shortages, impair the ability of companies to access near- term working capital needs, and create additional market and economic uncertainty. There can be no assurance that future credit and financial market instability and a deterioration in confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, liquidity shortages, volatile business environment or continued unpredictable and unstable market conditions. If the ~~current~~ equity and credit markets deteriorate, or if adverse developments are experienced by financial institutions, it may cause short- term liquidity risk and also make any necessary debt or equity financing more difficult, more costly, more onerous with respect to financial and operating covenants and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to alter our operating plans. In addition, there is a risk that one or more of our current service providers, financial institutions, manufacturers, suppliers, customers and other partners may be adversely affected by the foregoing risks, which could directly affect our ability to attain our operating goals on schedule and on budget. **35**