

Risk Factors Comparison 2024-04-01 to 2023-03-31 Form: 10-K

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

You should carefully consider the risks described below together with the other information set forth in this report, which could materially affect our business, financial condition and future results. The risks described below are not the only ones that we may face. Additional risks that are not currently known to us or that we currently consider immaterial may also impair our business, financial condition or results of operations. Risks Related to Our Business and Industry Our SpaceMobile Service is in development and may not be completed on time or at all and the costs associated with it may be greater than expected. Costs of the design, assembly, integration, testing and launch of satellites and related components and ground infrastructure, as well as operating costs, are substantial. There can be no assurance that we will complete the SpaceMobile Service and related infrastructure, products and services on a timely basis, on budget or at all. Design, assembly and launch of satellite systems are highly complex and historically have been subject to frequent delays and cost over-runs. For example, the BW3 launch was delayed, the BW3 development costs exceeded initial estimates and BW3 testing ~~took is taking~~ longer than expected ; **launch of Block 1 BB satellites was delayed**. Development of the SpaceMobile Service, which is utilizing new technology, may continue to suffer from delays, interruptions or increased costs due to many factors, some of which may be beyond our control, including: • the failure of the SpaceMobile Service to work as expected as a result of technological or manufacturing and assembling difficulties, design issues or other unforeseen matters; • lower than anticipated demand and acceptance for the SpaceMobile Service and mobile satellite services in general; • the inability to obtain capital in the public and private markets to finance the SpaceMobile Service and related infrastructure, products and services on acceptable terms or at all; • engineering and / or manufacturing performance failing or falling below expected levels of output or efficiency; • denial or delays in receipt of regulatory approvals or non-compliance with conditions imposed by regulatory authorities; • the breakdown or failure of equipment or systems; • the inability to reach commercially viable agreements with launch providers that can accommodate the technical specifications of our satellites, proposed orbits and resulting satellite coverage, and proposed launch timing; • launch costs which may exceed our estimates; • non-performance by third-party contractors or suppliers; • the inability to develop or license necessary technology on commercially reasonable terms or at all; • launch delays or failures or deployment failures or in-orbit satellite failures once launched; • the inability to reach commercially viable cooperative agreements to license spectrum with one or more MNOs; • the inability to negotiate agreements with mobile network operators relating to the SpaceMobile Service that would supersede memoranda of understanding; • labor disputes or disruptions in labor productivity or the unavailability of skilled labor; • increases in the costs of materials or services, including due to inflation; • changes in project scope; • increased competition including competitors who may have more resources than we do; • additional requirements imposed by changes in laws or regulations; • geopolitical events, such as the outbreak of war or hostilities, as well as related sanctions and other trade restrictions; • ~~the COVID-19 pandemic~~ **pandemics and, epidemics or** other **global** public health events; or • severe weather or catastrophic events such as fires, earthquakes, storms (including space storms and adverse weather in space) or explosions. If any of the above events occur, they could have a material adverse effect on our ability to continue to develop the SpaceMobile Service and related infrastructure, products and services, which would materially adversely affect our business, financial condition and results of operations. We will need to raise additional funds for continued operations and to initiate our planned SpaceMobile Service. These funds may not be available to us when we need them on favorable terms or at all. If we cannot raise additional funds when needed, our operations and prospects will be negatively affected. We currently estimate we will need to raise additional capital of approximately \$ ~~550-350~~ . 0 million to \$ ~~650-400~~ . 0 million for operating and capital expenditures to design, assemble and launch 20 Block 2 BB satellites and operate a constellation of 25 BB satellites ~~to continue to provide SpaceMobile service~~. We intend to seek to raise additional capital prior to the commencement of the commercial services through the issuance of equity, equity ~~related~~ **linked** or debt securities ~~;~~ **(secured or unsecured), secured or unsecured loan loans or other debt** facilities, ~~and or through obtaining~~ credit from government or financial institutions or commercial partners ~~;~~ **To, including through our existing Equity Line of Credit and the extent we ATM Equity Program (as defined in “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources ”).** We also intend to seek to ~~raise funds~~ **draw the remaining available credit under the Senior Secured Credit Facility (as defined in “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources ”).** Our ability to access the capital markets **during this period of**; ~~our ability to do so will depend upon market conditions, and volatility in the capital markets~~ **may require us to modify our current expectations**. We cannot ~~There can be certain~~ **no assurance** that additional funds will be available to us on ~~the timelines we may need, on~~ favorable terms ~~if required~~, or at all. If we cannot raise additional funds when needed **in the future**, our financial condition, results of operations, business and prospects ~~could~~ **may** be materially ~~and~~ adversely affected. We will incur significant expenses and capital expenditures in the future to execute our business plan and develop the SpaceMobile Service, and we may be unable to adequately forecast or control our expenses. We will incur significant expenses and capital expenditures in the future to further our business plan and develop the SpaceMobile Service, including expenses to: • design, develop, assemble and launch our satellites; • design and develop the components of the SpaceMobile Service; • conduct research and development; • purchase raw materials and components; • launch and test our systems; • expand our design, development, maintenance and repair capabilities; • costs associated with protecting our intellectual property rights; and • increase our general and administrative functions to support our growing operations. Because we will incur much of the costs and expenses from these efforts before we receive any revenues with respect thereto, our losses in future periods will be

significant. Also, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses. Our ability to become profitable in the future will not only depend on our ability to successfully launch satellites and build the SpaceMobile Service, but also to control costs. If we are unable to efficiently design, assemble, launch and service our satellites or experience significant delays during such development, our potential margins, potential profitability and prospects would be materially and adversely affected. We are an early stage company with a history of losses and may never become profitable. We incurred a net loss attributable to common stockholders of \$ ~~34.87~~ ~~8.6~~ million for the year ended December 31, ~~2022~~ ~~2023~~ and have incurred net losses **attributable to common stockholders** of approximately \$ ~~105.189~~ ~~3.7~~ million from our inception through December 31, ~~2022~~ ~~2023~~. To date, we have not generated any ~~revenue~~ ~~revenues~~ from our SpaceMobile Service. Our **All past revenues were generated from sales and services by our** former subsidiary, NanoAvionika UAB (“ Nano ”), ~~generated revenue from the development and manufacture of satellite technology, and ancillary sales and services globally~~. Following the completion of the sale of Nano on September 6, 2022, we **did not** longer generate **any** revenue and **do not expect to generate revenue in future periods until we launch the SpaceMobile Service**. We will continue to incur operating and net losses each quarter until at least the time we begin generating revenue as a result of planned launches of our commercial satellites, ~~which is not currently expected to begin until 2024 at the earliest~~, and may continue to incur operating or net losses even after we begin generating revenue. The likelihood of success of our business plan must be considered in light of the substantial challenges, expenses, difficulties, complications and delays frequently encountered in connection with developing and expanding early- stage businesses and the competitive environment in which we operate. The development of a satellite- based **Cellular direct wireless broadband Broadband** network and related intellectual property is a speculative undertaking, involves a substantial degree of risk, is a capital- intensive business and may ultimately fail. If we cannot successfully execute our plan to develop a **Cellular direct wireless broadband Broadband** network from LEO satellites, referred to as SpaceMobile Service, our business will not succeed. Our potential profitability is dependent upon the successful development and successful commercial introduction and acceptance of SpaceMobile Service, which may not occur. Even if we are able to successfully develop our SpaceMobile Service, there can be no assurance that it will be commercially successful and become profitable on a sustained basis, if at all. We expect to have quarter- to- quarter fluctuations in ~~revenues~~, expenses and capital expenditures, some of which could be significant, due to research, development, manufacturing and assembly expenses and the investments required to design, assemble and launch the SpaceMobile Service constellation ~~satellites~~. We will rely on MNOs and require regulatory approvals to access the spectrum the SpaceMobile Service needs to operate. Unlike traditional mobile satellite services, the SpaceMobile Service **will is not being designed to** deliver service over spectrum allocated for mobile satellite use. Rather, the SpaceMobile Service is being designed to deliver service over spectrum allocated for terrestrial mobile use. To do so, regulators in each country where we will offer the SpaceMobile Service will need to approve the SpaceMobile Service’ s use of spectrum in this manner. We cannot be sure that these regulatory approvals will be forthcoming or, if received, that they will be issued in a timely manner and on terms and conditions that will allow us to meet our business plan. We will also need to reach ~~cooperative~~ **commercial** agreements with MNOs under which they will agree to provide us with access to their licensed spectrum on suitable terms and conditions. We cannot be sure that such agreements can be reached or that the terms of such agreements will allow us to provide the SpaceMobile Service for a sufficient period of time or on terms and conditions that will allow us to meet our business plan. We have a limited operating history and operate in a rapidly evolving industry, which makes it difficult to evaluate our business and future prospects and increases the risk of your investment. Formed in May 2017, we have a limited operating history in the satellite communications industry, which is rapidly evolving. As a result, there is limited information on which investors can base an evaluation of our business, strategy, operating plan, results and prospects. We intend to derive substantially all of our revenues from the SpaceMobile Service, which is still in the beginning stages of development. There are also no assurances that we will be able to secure future business with, or to convert existing memoranda of understanding into definitive commercial agreements with, MNOs, who are in turn expected to market and sell the SpaceMobile Service to their existing customers as the end- user. It is difficult to predict future revenues and ~~appropriately budget for~~ expenses, and we have limited insight into trends that may emerge and affect our business. We are a pre- revenue company facing substantial business and operational risks, including a relatively untested market strategy, all of which makes forecasting future business results particularly difficult and results in a significant level of execution risk. Our ability to successfully implement our business plan will depend on a number of factors outside of our control. The success of our business plan is dependent on a number of factors outside of our control, including: • the ability to maintain the functionality, capacity and control of the SpaceMobile Service and satellite network once launched; • the ability to access MNO or other spectrum on suitable terms to us; • the level of market acceptance and demand for our products and services from MNOs and their end- user customers; • the ability to introduce products and services that satisfy market demand; • the ability to comply with all applicable regulatory requirements in the countries in which we plan to operate; • the effectiveness of competitors in developing and offering similar services and products; • consumer acceptance of initial phases of the SpaceMobile Service which is not expected to provide continuous service; • the ability to find third parties to successfully launch our satellites; and • the ability to maintain competitive prices for our products and services and to control our expenses. Also, if the experience of the SpaceMobile Service’ s end- users is not reasonably equivalent to the experience they have using a terrestrial network, we may not achieve widespread consumer acceptance. We are highly dependent on the services of Abel Avellan, our founder, Chairman and Chief Executive Officer, and if we are unable to retain Mr. Avellan, attract and retain key employees and hire qualified management, technical and engineering personnel, our ability to compete could be harmed. Our success depends, in part, on our ability to retain our key personnel. We are highly dependent on the services of Abel Avellan, our founder, Chairman and Chief Executive Officer. Mr. Avellan is the source of many of the unique technology and development of our business. If Mr. Avellan were to discontinue his employment with the Company due to death, disability or any other reason, we would be significantly disadvantaged. The unexpected loss of or failure to retain one or more of our key

employees could adversely affect our business. Our success also depends, in part, on our continuing ability to identify, hire, attract, train and develop other highly qualified personnel, in particular engineers. Experienced and highly skilled employees are in high demand, competition for these employees can be intense and there may be concerns regarding new employees' unauthorized disclosure of competitors' trade secrets, and our ability to hire, attract and retain them depends on our ability to provide competitive compensation. Because our satellites are based on a different technology platform than traditional LEO satellites, individuals with sufficient training in our technology may not be available to hire, and as a result, we will need to expend significant time and expense training the employees it does hire. We may not be able to attract, assimilate, develop or retain qualified personnel in the future, and our failure to do so could adversely affect our business, including the execution of our business strategy. Any failure by our management team and our employees to perform as expected may have a material adverse effect on our business, prospects, financial condition and operating results. Rapid and significant technological changes could render the SpaceMobile Service obsolete and impair our ability to compete. The satellite communications industry is subject to rapid advances and innovations in technology. We may face competition in the future from companies using new technologies and new satellite systems, including competitors who may have more resources than we do. New technology could render the planned SpaceMobile Service obsolete or less competitive by satisfying customer demand in more attractive ways or through the introduction of incompatible standards. Particular technological developments that could adversely affect the business plan may include the deployment by our competitors of new satellites with greater power, flexibility, efficiency or capabilities than ours, as well as continuing improvements in terrestrial wireless technologies. For us to keep pace with technological changes and remain competitive, we may need to make significant capital expenditures, including capital to design and launch new products and services. Customer acceptance of the products and services that we offer may be affected continually by technology- based differences in product and service offerings compared to those of competitors. New technologies may also be protected by patents or other intellectual property laws and therefore may not be available. Any failure to implement new technology within our SpaceMobile Service may compromise our ability to compete. If we fail to manage our future growth effectively, our business, prospects, operating results and financial condition may be materially adversely affected. We intend to expand our operations significantly as we develop the SpaceMobile Service and commence commercial operations. To properly manage our growth, we will need to hire and retain additional personnel, ~~upgrade our existing operational management and financial and reporting systems,~~ and improve our business processes and controls. Our future expansion will include: • hiring and training new personnel; • assembling, operating, and servicing the satellite network; • developing new technologies; • controlling expenses and investments in anticipation of expanded operations; ~~• upgrading the existing operational management and financial reporting systems to comply with requirements as a public company;~~ and • implementing and enhancing administrative infrastructure, systems and processes. Failure to manage growth effectively could have a material adverse effect on the quality of the execution of our business plan, our ability to attract and retain professionals, as well as our business, financial condition and results of operations. Also, as we introduce new services or enter into new markets, we may face new market, technological, operational, compliance and administrative risks and challenges, including risks and challenges unfamiliar to us. We may not be able to mitigate these risks and challenges to achieve our anticipated growth or successfully execute large and complex projects, which could materially adversely affect our business, prospects, financial condition and results of operations. We could fail to achieve revenue, or experience a decline in revenue, as a result of increasing competition from companies in the wireless communications industry, including wireless and other satellite operators, and from the extension of land- based communications services or new technologies. We may face increased competition from new competitors, new technologies or new equipment, including new LEO constellations and expansion of existing geostationary satellite systems, new technology that could eliminate the need for a satellite system or redeployment of existing technologies to serve the direct to cellular handset market. Satellite service providers or others that rely on satellites for their business purposes and end markets, including us, face a currently challenging industry as evidenced by the **past** bankruptcies of OneWeb and Intelsat. The provision of satellite- based services and products is subject to downward price pressure when capacity exceeds demand. In addition to satellite- based competitors, terrestrial voice and data service providers, both wireline and wireless, could further expand into rural and remote areas and provide the same general types of services and products that we intend to provide. Although satellite communications services and terrestrial communications services are not perfect substitutes, the two compete in some markets and for some services and this competition may increase if the SpaceMobile Service proves successful. Consumers generally perceive terrestrial wireless voice communication products and services as less expensive and more convenient than those that are satellite- based. As a result of competition, we may not be able to successfully launch our SpaceMobile Service or products, retain our customers and attract new customers. We face competition from existing and potential competitors in the telecommunications industry, including terrestrial and satellite- based network systems. The mobile satellite services industry at- large is highly competitive, and we currently face substantial general competition from other service providers that offer a range of mobile and fixed communications options. There are also a number of competitors working to develop innovative solutions to compete in this industry. Also, while we view our services as largely complementary to terrestrial wireline and wireless communications networks through our MNO partnerships, we also compete with them indirectly. We face competition from ~~other existing~~ service providers **such as Inmarsat, Globalstar, ORBCOMM, Thuraya Telecommunications Co. and Iridium Communications** that offer a range of mobile and fixed communications options, ~~such as Inmarsat, Globalstar, ORBCOMM, Thuraya Telecommunications Co. and Iridium Communications~~ **In the case of fixed broadband operators, a VSAT end- user terminal is used to provide service while with mobile satellite service providers a special purpose satellite phone is required.** ~~Also~~ **In addition**, we face competition from companies developing new LEO networks such as SpaceX' s Starlink, OneWeb, ~~and~~ Amazon' s Kuiper ~~and Globalstar~~. **In** ~~A continuing trend toward consolidation and strategic alliances in the telecommunications industry, as well as the potential development of new satellite constellations, could give rise to significant new competitors. For example, in 2023, Apple~~

introduced a new service supported by Globalstar which provides SOS Emergency Service capabilities to its latest generation iPhones. In September 2022, SpaceX and T-Mobile US announced that they plan to offer a text based service from a constellation that will be built in the future. We also will compete with regional mobile satellite communications services in several geographic markets. In these cases, the majority of our competitors' customers require regional, not global, mobile voice and data services so competitors may present a viable alternative to the SpaceMobile Service. These regional competitors operate or plan to operate geostationary satellites. In some markets, we compete directly or indirectly with very small aperture terminal operators that offer communications services through private networks using very small aperture terminals or hybrid systems to target business users. We also compete indirectly with terrestrial wireline and wireless communications networks and to the extent that terrestrial communications companies invest in underdeveloped areas, we may face increased competition in those areas. Furthermore, some foreign competitors may benefit from government subsidies, or other protective measures, afforded by their home countries. Some of these competitors, as well as other existing companies that may seek to enter the markets we serve, may be larger amounts of capital and other resources, have access to financing and capital resources on more advantageous terms, and may provide more efficient products or services than we will be able to provide, any of which could reduce our market share and adversely affect our revenues and business. We will be dependent on third parties to market and sell our products and services. We expect to rely on MNOs to market and sell our products and services to end users and to determine the prices end users pay. As a result of these arrangements, we will be dependent on the performance of our commercial partners to generate most of our revenue. Such commercial partners will operate independently of us, which exposes us to significant risks. Commercial partners may not commit the necessary resources to market and sell our products and services and may also market and sell competitive products and services. Also, such commercial partners may not comply with the laws and regulatory requirements in their local jurisdictions, which could limit their ability to market or sell our products and services. We are currently party to a number of preliminary agreements and understandings with MNOs. However, before we can offer the service, we will need to negotiate definitive commercial agreements with MNOs, which would supersede these preliminary agreements and understandings. There can be no assurance that we will be able to negotiate such definitive commercial agreements on terms acceptable to us. Also, many of these preliminary agreements and understandings will need to be renewed as their terms will end before we launch the SpaceMobile Service. If current or future commercial partners do not perform adequately or agree to commercially reasonable terms acceptable to us, we may be unable to achieve our targeted revenue in these markets or enter new markets, and we may not realize our expected growth, and our brand image and reputation could be damaged. We rely on third parties for the supply of equipment, satellite components and services. Our business depends in large part on our ability to execute our plans to assemble, integrate and test our satellites and components. We rely on multiple suppliers to supply and produce certain highly- technical components. Any failure of these suppliers or others to perform could require us to seek alternative suppliers or to expand our production capabilities, which could incur additional costs and have a negative impact on our cost or supply of components. Also, production or logistics in supply or production areas or transit to final destinations can be disrupted for a variety of reasons including, but not limited to, natural and man- made disasters, information technology system failures, transportation difficulties, commercial disputes, military actions, economic, business, labor, environmental, public health or political issues or international trade disputes. If any of our suppliers terminate their relationships with us, fail to provide equipment or services on a timely basis, or fail to meet performance expectations, we may be unable to **launch satellites in a timely manner or** provide products or services to customers in a competitive manner, which could in turn negatively affect our financial results and reputation. Our continued development of our SpaceMobile Service is and will be subject to risks, including with respect to: • securing necessary components on acceptable terms and in a timely manner; • delays in delivery of final component designs to our suppliers; • our ability to attract, recruit, hire and train skilled employees; • quality controls; • legal or regulatory limitations placed on our launch providers as a result of geopolitical actions or otherwise; • satellite launch or deployment failures; • negotiation of agreements with launch providers; • delays or disruptions in supply chain; and • other delays and cost overruns. We do not know whether we will be able to develop efficient, automated, low- cost production capabilities and processes and reliable sources of component supply that will enable us to successfully operate our SpaceMobile Service. Any failure to develop such production processes and capabilities within our projected costs and timelines could have a material adverse effect on our business, prospects, financial condition and operating results. We and our suppliers rely on complex systems and components, which involves a significant degree of risk and uncertainty in terms of operational performance and costs. We and our suppliers rely on complex systems and components for the operation and assembly of our satellites, which involves a significant degree of uncertainty and risk in terms of operational performance and costs. These components may suffer unexpected malfunctions from time to time and may require repairs and spare parts to resume operations, which may not be readily available when needed. Unexpected malfunctions of these components may significantly affect the intended operational efficiency. Operational performance and costs can be difficult to predict and are often influenced by factors outside of our control, such as, but not limited to, scarcity of natural resources, environmental hazards and remediation, difficulty or delays in obtaining governmental permit, damages or defects in various components, industrial accidents, fire, seismic activity and natural disasters. Should operational risks materialize, it may result in the monetary losses, delays, unanticipated fluctuations in production, environmental damage, administrative fines, increased insurance costs and potential legal liabilities, all which could have a material adverse effect on our business, prospects, financial condition or operating results. We face substantial risks associated with our international operations. We plan to offer our SpaceMobile Service in international markets and intend to collaborate with a number of foreign MNOs. Also, we have development offices or teams in India, Scotland, Spain and Israel. We also source supplies from international suppliers. Operating in foreign countries poses substantial risks, including: • difficulties in developing products and services that are tailored to the needs of local customers; • unavailability of, or difficulties in establishing, relationships with local MNOs; • instability of international economies and governments, including ~~geo- political~~ **geopolitical** conflicts, **acts of hostility or war**; such as the recent conflict

in Ukraine and resulting economic sanctions; • changes in laws and policies affecting trade and investment in other jurisdictions; • exposure to varying legal standards, including data privacy, security and intellectual property protection in other jurisdictions; • difficulties in obtaining required regulatory authorizations; • difficulties in enforcing legal rights in other jurisdictions; • local domestic ownership requirements; • requirements that certain operational activities be performed in-country; • changing and conflicting national and local regulatory requirements; • foreign currency exchange rates and exchange controls; and • ongoing compliance with the U. S. Foreign Corrupt Practices Act, U. S. export controls, anti- money laundering and trade sanction laws, and similar anti- corruption and international trade laws in other countries. MNOs will expose us to currency exchange risk, and we cannot predict the effect of future exchange rate fluctuations on our business and operating results. Following the launch of the SpaceMobile Service in international markets, our international operations will be sensitive to currency exchange risks. We anticipate having currency exposure arising from both sales and purchases denominated in foreign currencies, as well as intercompany transactions. Significant changes in exchange rates between foreign currencies in which we anticipate transacting business and the U. S. dollar may adversely affect our results of operations and financial condition. We may be negatively affected by global economic conditions. Our operations and performance depend significantly on worldwide economic conditions. Uncertainty about global economic conditions poses a risk as individual consumers, businesses and governments may postpone spending in response to tighter credit, negative financial news, declines in income or asset values, or budgetary constraints. Reduced demand could cause a significant delay in the launch of our satellites or the development of the SpaceMobile Service which in turn could cause a decline in our anticipated future revenue and make it more difficult to operate profitably in the future, potentially compromising our ability to pursue our business plan. We expect our future growth rate will be affected by the condition of the global economy, increased competition, maturation of the satellite communications industry, and the difficulty in sustaining high growth rates as we increase in size. Pursuing strategic transactions may cause us to incur additional risks. We may pursue acquisitions, joint ventures or other strategic transactions from time to time. We may face costs and risks arising from any such transactions, including integrating a new business into our business or managing a joint venture. These risks may include adverse legal, organizational and financial consequences, loss of key customers and distributors, and diversion of management' s time. Also, any major business combination or similar strategic transaction may require significant additional financing. Further, depending on market conditions, investor perceptions of us and other factors, we might not be able to obtain financing on acceptable terms, in acceptable amounts, or at appropriate times to implement any such transaction.

Covenants The ongoing COVID-19 pandemic may disrupt our operations. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, including the supply chain for computer chips, and **events** created significant volatility and disruption in the financial and capital markets. We are unable to accurately predict the full impact that the ongoing COVID-19 pandemic will have on our planned development of the SpaceMobile Service. **default in our debt instruments could limit our ability to undertake certain types of transactions and adversely affect our liquidity. Additionally, our failure to comply with the covenants in our debt instruments could materially adversely affect our financial condition, and operational activities due to numerous factors liquidity. Further, we have pledged substantially all our assets under these instruments. Our Atlas Credit Agreement, Term Loan Credit Agreement, and Lone Star Loan Agreement contain, and any future indebtedness of ours would likely contain, a number of restrictive covenants that are not impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long- term best interest, including restrictions on our ability to, among other things: • incur additional indebtedness and guarantee indebtedness; • pay dividends or make other distributions or repurchase or redeem capital stock; • prepay, redeem or repurchase certain debt; • issue certain preferred stock or similar equity securities; • make loans and investments; • sell assets; • incur liens; • enter into transactions within-- with affiliates; • materially alter the businesses we conduct; • enter into agreements restricting our subsidiaries' ability to pay dividends; and • consolidate, merge or sell all or substantially all of our assets. Additionally, certain of these agreements require us, among other things, to maintain certain levels of liquidity, retain Abel Avellan as our chairman and Chief Executive Officer, maintain insurance policies on collateralized assets and collateralize all new intellectual property owned or acquired. Our ability to meet these conditions can be affected by events beyond our control, including and we may be unable to meet the them duration and severity. A breach of the outbreak covenants or restrictions under the Atlas Credit Agreement, stay Term Loan Credit Agreement, Lone Star Loan Agreement, and Notes (as defined in " Management' s Discussion and Analysis of Financial Condition and Results of Operations - Overview ") at-home orders, business closures, governmental efforts to distribute vaccines and overall vaccination rates, travel restrictions, supply chain disruptions and employee illness or quarantines, which could result in disruptions to our operations and- **an event of default under the applicable agreement. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. Furthermore, if we were unable to repay the amounts due and payable, the lenders could proceed against the collateral granted to them to secure that indebtedness which constitutes substantially all our assets. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, we may be: • limited in how we conduct our business; • unable to raise additional debt or equity financing to operate during general economic or business downturns; or • unable to compete effectively or to take advantage of new business opportunities. These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely impact our operations affect the availability and terms of our financing and our financial condition - Also, the COVID-19 pandemic has resulted in ongoing volatility in the financial and capital markets liquidity could be materially adversely affected. Servicing If our access to capital is restricted or our debt requires cash that would otherwise be used associated borrowing costs increase as a result of developments in financial markets relating to fund our business plan the COVID-19 pandemic, and we****

may not have sufficient cash flow from our business to pay our debt. Our ability to make scheduled payments of interest on our or operations and refinance our debt obligations depends on our financial condition and operating performance. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and be adversely impacted. Any future delays as a result of COVID-19 would could be forced to reduce or delay investments and capital expenditures our or phased development to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Our debt instruments restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. If we cannot make scheduled payments on our debt, we will be in default and the lenders could declare all outstanding principal and interest to be due and payable and could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation

Risks Related to Our Satellites and Planned SpaceMobile Service We may not be able to launch our satellites successfully. Loss of a satellite during launch could delay or impair our ability to offer our services or reduce our expected potential revenues, and launch insurance, even if it is available, will not fully cover this risk. We rely on third parties to launch our satellites. If we fail to find third parties to launch our satellites or if the third parties fail to perform or delay their performance, the SpaceMobile Service may not be made operational in the anticipated timeframe or at all. There are a limited number of third parties with the capabilities to launch our satellites, some of which are exploring services that could compete with the SpaceMobile Service. Also, we may not be able to operate our satellites successfully due to mechanical deployment failures after launch or problems occurring during the deployment once in space. In addition, we may not achieve the desired altitudes to operate our satellites which could result in a failure of our satellites to operate as planned. We expect to insure the launch, over time, of all or a portion of our satellites to operate the SpaceMobile Service as intended, but do not intend to insure our satellites once they are launched for their remaining in-orbit operational lives. Launch insurance currently costs approximately 3.0% to 15.0% of the insured value of the satellite (including launch costs) but will vary depending on market conditions and the safety record of the launch vehicle. We may choose not to insure every launch or to only partially insure some or all launches. Even if a lost satellite is fully insured, acquiring a replacement satellite may be difficult and time consuming. Furthermore, the insurance does not cover lost revenue. We expect any launch failure insurance policies that we obtain to include specified exclusions, deductibles and material change limitations. Typically, these insurance policies exclude coverage for damage arising from acts of war, lasers, and other similar potential risks for which exclusions are customary in the industry at the time the policy is written. If launch insurance rates were to rise substantially, all of the launch costs would increase. Also, in light of increasing costs, the scope of insurance exclusions and limitations on the nature of the losses for which we can obtain insurance, or other business reasons, we may conclude that it does not make business sense to obtain third-party insurance and may decide to pursue other strategies for mitigating the risk of a satellite launch failure, such as obtaining relaunch guaranties from the launch provider. It is also possible that insurance could become unavailable, either generally or for a specific launch vehicle, or that new insurance could be subject to broader exclusions on coverage, in which event we would bear the risk of launch failures. Our satellites may experience operational problems, which could affect our ability to provide an acceptable level of service to the end-user customers. Once the SpaceMobile Service is developed and operational, we may experience intermittent signal disruptions, dropped connections, call initiation failures or data transmission disruptions. If the magnitude or frequency of such problems occur repeatedly, we may no longer be able to provide a commercially acceptable level of service, our business and financial results and reputation would be harmed and our ability to pursue our business plan would be compromised. Also, failure to provide an acceptable level of service could cause MNOs to seek other solutions for their customers. From time to time, we may reposition our satellites within the constellation to optimize service, which could result in degraded service during the repositioning period. Although we will have some ability to remedy some types of problems affecting the performance of satellites remotely from the ground, the physical repair of our satellites in space is not feasible. Our products could fail to perform or could perform at reduced levels of service because of technological malfunctions or deficiencies, regulatory compliance issues, or events outside of our control, which would harm our business and reputation. Our products and services are subject to the risks inherent in a global, complex telecommunications system employing advanced technology and heavily regulated by, among others, the FCC and similar authorities internationally. Any disruption to our satellites, services, information systems or telecommunications infrastructure, or regulatory compliance issues, could result in the inability or reduced ability of end-user customers to receive services for an indeterminate period of time. These customers may include government agencies conducting mission-critical work throughout the world, as well as consumers and businesses located in remote areas of the world and operating under harsh environmental conditions where traditional telecommunications services may not be readily available. Any disruption to the SpaceMobile Service or extended periods of reduced levels of service could cause us to lose customers or revenue, result in delays or cancellations of future implementations of our products and services, result in failure to attract customers, or result in litigation, customer service or repair work that would involve substantial costs and distract management from operating our business. The failure of any of the diverse elements of the planned SpaceMobile Service, including our satellites, to function as required could render the SpaceMobile Service unable to perform at the quality and capacity levels required for success. Any system failures, repeated product failures or shortened product life, or extended reduced levels of service could reduce our expected sales, increase costs, or result in warranty or liability claims or litigation, and harm our business. Our satellites have a limited life and may fail prematurely, which would cause our network to be compromised and materially and adversely affect our business, prospects and potential profitability. We may experience in-orbit malfunctions of our satellites once launched, which could adversely affect the reliability of their service or result in total

failure of the satellite. In-orbit failure of a satellite may result from various causes, including component failure, loss of power or fuel, inability to control positioning of the satellite, solar or other astronomical events, including solar radiation, wind and flares, and space debris. Other factors that could affect the useful lives of our satellites include the quality of construction, gradual degradation of solar panels and the durability of components. Radiation-induced failure of satellite components may result in damage to, or loss of, a satellite before the end of its expected life. Although we would not incur any direct cash costs related to the failure of a satellite, if a satellite fails, we would expect to record an impairment charge in our statement of operations to reduce the remaining net book value of that satellite to zero, and any such impairment charges could depress our net income for the period in which the failure occurs. Our business may be adversely affected if we are unable to protect our intellectual property rights from unauthorized use by third parties. Failure to adequately protect our intellectual property rights could result in our competitors offering similar services and products, potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue, which would adversely affect our business, prospects, financial condition and operating results. Our success depends, at least in part, on our ability to protect our core technology and intellectual property and to keep our use of exclusive licenses. To accomplish this, we will rely on a combination of patents, trade secrets (including know-how), employee and third-party nondisclosure agreements, copyrights, trademarks, intellectual property licenses and other contractual rights to establish and protect our rights in our technology. The protection of our intellectual property rights will be important to our future business opportunities. However, the measures we take to protect our intellectual property from unauthorized use by others may not be effective for various reasons, including the following:

- any patent applications we submit may not result in the issuance of patents;
- the scope of our issued patents, including our patent claims, may not be broad enough to protect our proprietary rights;
- our issued patents may be challenged or invalidated by our competitors;
- our employees or business partners may breach their confidentiality, non-disclosure and non-use obligations to us;
- third parties may independently develop technologies that are the same or similar to ours;
- the costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may make enforcement impracticable; and
- current and future competitors may circumvent our intellectual property.

Patent, trademark, copyright and trade secret laws vary throughout the world. Some foreign countries do not protect intellectual property rights to the same extent as do the laws of the U. S. Further, policing the unauthorized use of our intellectual property in foreign jurisdictions may be difficult. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the U. S. Also, we may have difficulty enforcing our rights against a competitor where an infringement occurs in outer space. Our intellectual property applications for registration may not issue or be registered, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. We cannot be certain that we are the first inventor of the subject matter to which we have filed a particular patent application, or if we are the first party to file such a patent application. If another party has filed a patent application to the same subject matter as we have, we may not be entitled to the protection sought by the patent application. We also cannot be certain whether the claims included in a patent application will ultimately be allowed in the applicable issued patent. Further, the scope of protection of issued patent claims is often difficult to determine. As a result, we cannot be certain that the patent applications that we file will issue, or that our issued patents will afford protection against competitors with similar technology. Also, our competitors may design around our issued patents, which may adversely affect our business, prospects, financial condition and operating results. We may in the future become subject to claims that our satellites or services violate the patent or intellectual property rights of others, which could be costly and disruptive to us. We operate in an industry that is susceptible to significant intellectual property litigation. Although we maintain intellectual property litigation insurance (currently \$ 7. 0 million for defending infringement claims and \$ 10. 0 million to bring offensive infringement claims), the defense of intellectual property suit is both costly and time-consuming, even if ultimately successful, and may divert management's attention from other business concerns. An adverse determination in litigation to which we may become a party could, among other things:

- subject us to significant liabilities to third parties, including lost profit and treble damages that are not covered by insurance;
- require disputed rights to be licensed from a third party for royalties that may be substantial;
- require us to cease using technology that is important to our business; or
- prohibit us from using some or all of our devices or offering some or all of our services.

Our customized hardware and software may be difficult and expensive to service, upgrade or replace. Some of the hardware and software we use in operating our SpaceMobile Service is significantly customized and tailored to meet our requirements and specifications and could be difficult and expensive to service, upgrade or replace. Although we expect to maintain inventories of some spare parts, it nonetheless may be difficult, expensive or impossible to obtain replacement parts for the hardware due to a limited number of those parts being manufactured to our requirements and specifications. Also, our business plan contemplates updating or replacing some of the hardware and software in our network as technology advances, but the complexity of our requirements and specifications may present us with technical and operational challenges that complicate or otherwise make it expensive or infeasible to carry out such upgrades and replacements. If we are not able to suitably service, upgrade or replace our equipment, our ability to provide our services and therefore to generate revenue could be harmed. Our networks and those of our third-party service providers and MNOs may be vulnerable to security risks. We expect the secure transmission of confidential information over public networks to continue to be a critical element of our ability to compete for business, manage our risks, and protect our customers and our reputation. Our network and those of our third-party service providers and our customers may be vulnerable to unauthorized access, computer attacks, viruses and other security problems. Persons who circumvent security measures could wrongfully access and obtain or use information on our network or cause service interruptions, delays or malfunctions in our devices, services or operations, any of which could harm our reputation, cause demand for our products and services to fall, and compromise our ability to pursue our business plan. Recently, there have been reported a number of significant, widespread security attacks and breaches that have compromised network integrity for many companies and governmental agencies, in some cases reportedly originating from outside the United States. Also, there are reportedly private products available in the market today which may attempt to unlawfully intercept

communications made using our network. We may be required to expend significant resources to respond to, contain, remediate, and protect against these attacks and threats, including compliance with applicable data breach and security laws and regulations, and to alleviate problems, including reputational harm and litigation, caused by these security incidents. In the event of such a security incident, our customer contracts may not adequately protect us against liability to third parties with whom our customers conduct business. Although we have implemented and intend to continue to implement security measures, these measures may prove to be inadequate. These security incidents could have a significant effect on our systems, devices and services, including system failures and delays that could limit network availability, which could harm our business and our reputation and result in substantial liability. Cyberattacks impacting our networks or systems may have a material effect on our operations. Cyberattacks, including through the use of malware, computer viruses, distributed denial of services attacks, ransomware attacks, credential harvesting, social engineering and other means for obtaining unauthorized access to or disrupting the operation of our networks and systems could have a material adverse effect on our operations. Cyberattacks can cause equipment or network failures, loss of information, including sensitive personal information of employees or proprietary information, as well as disruption to our operations, which could result in significant expenses, potential investigations and legal liability, and reputational damage. The development and maintenance of systems to prevent such attacks is costly and requires ongoing monitoring and updating. While, to date, we have not been subject to cyberattacks that, individually or in aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risks associated with cyberattacks may be insufficient to repel or mitigate the effects of a major cyberattack in the future. Our satellites may collide with space debris or another spacecraft, which could adversely affect the performance of our SpaceMobile Service. Although we expect to comply with best practices and international orbital debris mitigation requirements to actively maneuver our satellites to avoid potential collisions with space debris or other spacecraft, including an onboard propulsion system and altitude and orbit control system, these abilities are limited by, among other factors, uncertainties and inaccuracies in the projected orbit location of, and predicted collisions with, debris objects tracked and cataloged by governments or other entities. Additionally, some space debris is too small to be tracked and therefore its orbital location is unknown; nevertheless, this debris is still large enough to potentially cause severe damage or a failure of our satellites should a collision occur. If our satellites collide with space debris or other spacecraft, our SpaceMobile Service could be impaired. Also, a failure of one or more of our satellites or the occurrence of equipment failures, collision damage, or other related problems that may result during the de-orbiting process could constitute an uninsured loss and could materially harm our financial condition.

Risks Related to Our Legal and Regulatory Matters Our business is subject to extensive government regulation worldwide, which mandates how we may operate our business and may increase the cost of providing services and expansion into new markets. Our ownership and operation of a satellite communications system and the sale of services from such system are subject to significant regulation in the United States, including by the FCC, the U. S. Department of Commerce and others, and in foreign jurisdictions by similar local authorities. The rules and regulations of these U. S. and foreign authorities may change, and such authorities may adopt regulations that limit or restrict our operations as presently conducted or currently contemplated. Such authorities may also make changes to the licenses of our partners or competitors that affect their spectrum, and may, in turn, significantly affect our business. Further, because regulations in each country are different, we may not be aware if some of our partners or persons with whom we do business do not hold the requisite licenses and approvals. Our failure to provide services in accordance with the terms of our licenses or our failure to operate our satellites or ground stations as required by our licenses and applicable laws and government regulations could result in the imposition of government sanctions and / or monetary fines, including the suspension or cancellation of our licenses. Our ability to provide service to our customers and generate revenues could be harmed by adverse governmental regulatory actions. Our business is subject to extensive government regulation. Our ability to secure all requisite governmental approvals is not assured, and the process of obtaining governmental authorizations and permits can be very time-consuming and time-sensitive, and require compliance with a wide array of administrative and procedural rules. Our pending application seeking FCC approval to operate feeder links at fixed locations on V-band frequencies in the U. S. has been opposed by multiple competitors in the satellite mobile and terrestrial wireless businesses and we have no assurance if, and when, the requested authority will be forthcoming or what terms and conditions the FCC might impose on a grant. Multiple parties also have objected to both the process by which we propose to request authority to use spectrum generally allocated for terrestrial broadband mobile services and to the substance of that forthcoming request. We have no assurance regarding the outcome of these objections. Also, we have not yet **obtained permission from filed a request with the FCC for to operate service links direct directly to end user handset-handsets market access and other devices**. A failure by us to obtain required approvals could compromise our ability to generate revenue or conduct our business in one or more countries. Our requests for regulatory approvals may be subject to challenges by adverse parties and these challenges may delay or prevent favorable action. Furthermore, regulatory approvals can be issued subject to conditions that have an adverse effect on our ability to implement our business plan. The government approvals required for us to operate the SpaceMobile Service need to be periodically renewed and renewal is not guaranteed. The approvals also are subject to revocation, and we may be subject to fines, forfeitures, penalties or other sanctions if any issuing authority were to find that we are not in compliance with the applicable rules, regulations or policies. The regulatory obligations we must meet are complex, vary greatly from country to country, and are subject to interpretation. We cannot give any assurance that the governments will agree with or accept our compliance efforts. The regulations we and our competitors must adhere to are subject to change by the issuing governmental authorities and there is no guarantee that changes will not be made that are adverse to our business. Regulatory changes, such as those resulting from judicial decisions or the adoption of treaties, legislation or regulations in countries where we operate or intend to operate may also significantly affect our business. Our ability to offer one or more services in important countries or regions of the world may be limited due to regulatory requirements or geopolitical events. Our ability to provide SpaceMobile Service may be limited in some jurisdictions by local regulations. For example, some countries have local domestic ownership

requirements, or requirements for physical facilities or gateways within their jurisdictions, that may be difficult for us to satisfy. In some countries, we may not be able to reach a commercially viable agreement with an MNO that will enable us to access the spectrum needed to deliver the SpaceMobile Service. Also, geopolitical events, such as the outbreak of war or hostilities, as well as related sanctions and other trade restrictions, could impair our ability to provide services in important areas. The inability to offer or provide the SpaceMobile Service in certain markets could impair us from achieving our revenue and growth plans. We expect to provide our SpaceMobile Service in the U. S. and elsewhere on frequencies not regularly allocated for mobile-satellite service, which requires regulatory approval, and there can be no assurance that we will receive or be able to maintain such approval. The SpaceMobile Service will utilize end- user frequencies that are not allocated to satellite services. Instead, the SpaceMobile Service will be delivered to end- user customers over frequencies generally allocated for terrestrial broadband mobile services. The SpaceMobile Service' s use of spectrum generally allocated for terrestrial broadband mobile services, and our ability to access the U. S. market, will need approval by the FCC. If the FCC does not provide approval, our business will be significantly, adversely affected, and the provision of the SpaceMobile Service could be delayed or diminished, which could have a material adverse effect on our business, financial condition and results of operations. Because terrestrial mobile frequencies are licensed to carriers throughout the U. S., our use of such spectrum will be pursuant to a cooperative arrangement with one or more MNOs, such as spectrum leasing agreements. Our access to this spectrum will be subject to approval or notification by the regulatory licensing authority, and any such approval or notification may be delayed or rejected, which may substantially affect our business. Under such arrangements, we will not be the license holder for the spectrum, and our continued access to and use of the frequencies will be subject to the ongoing consent of the MNO, and to the terms and conditions of the cooperative agreement with such MNO. There can be no assurance that we can reach suitable cooperative agreements with MNOs or that such agreements will continue for the life of the SpaceMobile Service. The shared use of the terrestrial broadband spectrum by us and the MNO will require the implementation of procedures and safeguards to avoid interference to other users. While we believe our SpaceMobile Service will be able to avoid such interference through our patented technology, because the SpaceMobile Service is a new and innovative service that has not yet been implemented, the nature, extent and effectiveness of these interference avoidance techniques, and their effect on the service we will deliver, remains to be practically proven. If the SpaceMobile Service causes or receives harmful interference, it could have a material adverse effect on our business, financial condition and results of operations. The SpaceMobile Service may qualify as a commercial mobile radio service which will subject us to a variety of ongoing regulatory requirements. Government regulators have adopted a broad array of regulations governing the terms and conditions of wireless service designed to protect consumers and the public interest. While our arrangements with the MNOs will address some of these requirements, these regulatory obligations may prove burdensome and could have an adverse effect on our business. If we fail to comply in any material respect with any of these regulatory requirements, we could be subject to financial penalties or enforcement action, including the loss of authority to provide service.

Risks Related to Our Organizational Structure We are a “ controlled company ” within the meaning of the Nasdaq listing standards and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements. As of March ~~31-28, 2023~~ **2024**, Mr. Avellan and his permitted transferees hold all of the Class C Common Stock, which prior to the Sunset Date will entitle such holders to cast the lesser of 10 votes per share and the Class C Share Voting Amount, the latter of which is a number of votes per share equal to (1) (x) an amount of votes equal to 88. 3 % of the total voting power of our outstanding voting stock, minus (y) the total voting power of our outstanding capital stock (other than Class C Common Stock) owned or controlled by Mr. Avellan and his permitted transferees, divided by (2) the number of shares of our Class C Common Stock then outstanding. As a result, as of March ~~31-28, 2023-2024~~ **2024**, Mr. Avellan and his permitted transferees holdings, control approximately ~~86-81~~ **81**. 5 % of the combined voting power of our Common Stock, and may control a majority of our voting power so long as the Class C Common Stock represents at least 9. 1 % of our total Common Stock. As a result of Mr. Avellan and his permitted transferees holdings, we qualify as a “ controlled company ” within the meaning of the Nasdaq corporate governance standards. Under these rules, a listed company of which more than 50 % of the voting power is held by an individual, group or another company is a “ controlled company ” and may elect not to comply with certain corporate governance requirements, including the requirement that (i) a majority of our Board of Directors consist of independent directors, (ii) we have a compensation committee that is composed entirely of independent directors and (iii) director nominees be selected or recommended to the board by independent directors. We rely on certain of these exemptions. As a result, we do not have a nominating and corporate governance committee consisting entirely of independent directors and our directors were not nominated or selected solely by independent directors. We may also rely on the other exemptions so long as we qualify as a controlled company. To the extent we rely on any of these exemptions, holders of our Class A Common Stock will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. The multi- class structure of our Common Stock has the effect of concentrating voting power with our Chief Executive Officer, which will limit an investor' s ability to influence the outcome of important transactions, including a change of control. Holders of shares of our Class A Common Stock are entitled to cast one vote per share of Class A Common Stock, while holders of shares of our Class C Common Stock are (1) prior to the Sunset Date, entitled to cast the lesser of (x) 10 votes per share and (y) the Class C Share Voting Amount and (2) from and after the Sunset Date, entitled to cast one vote per share. As of March ~~31-28, 2023-2024~~ **2024**, Mr. Avellan and his permitted transferees controlled approximately ~~86-81~~ **81**. 5 % of the combined voting power of our Common Stock as a result of their ownership of all of our Class C Common Stock. Accordingly, while we do not intend to issue additional Class C Common Stock in the future, Mr. Avellan will be able to exercise control over all matters requiring our stockholders' approval, including the election of our directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions. Mr. Avellan may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control

may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company, and might ultimately affect the market price of shares of our Class A Common Stock. We cannot predict the impact our multi- class structure may have on the stock price of our Class A Common Stock. We cannot predict whether our multi- class structure will result in a lower or more volatile market price of Class A Common Stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple- class share structures in certain of their indices. In July 2017, FTSE Russell and S & P Dow Jones announced that they would cease to allow most newly public companies utilizing dual or multi- class capital structures to be included in their indices. Affected indices include ~~the Russell 2000 and~~ the S & P 500, S & P MidCap 400 and S & P SmallCap 600, which together make up the S & P Composite 1500. Beginning in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no- vote and multi- class structures and temporarily barred new multi- class listings from certain of its indices; however, in October 2018, MSCI announced its decision to include equity securities “ with unequal voting structures ” in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. Under the announced policies, our multi- class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange- traded funds and other investment vehicles that attempt to passively track those indices will not be investing in our stock. These policies are still fairly new and it is as of yet unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, but it is possible that they may depress these valuations compared to those of other similar companies that are included. Because of our multi- class structure, we will likely be excluded from certain of these indices and we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from stock indices would likely preclude investment by many of these funds and could make shares of our Class A Common Stock less attractive to other investors. As a result, the market price of shares of our Class A Common Stock could be adversely affected. We are a holding company and rely primarily on distributions from AST LLC to fund our operations. We are a holding company and our principal asset is our interest in AST LLC, and, accordingly all of our operations and activities relate to the operations and activities of AST LLC. We do not have independent means of generating revenue or cash flow, and our ability to pay our taxes, operating expenses, and pay any dividends in the future is dependent upon the financial results and cash flows of AST LLC. There can be no assurance that AST LLC will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants under debt instruments, will permit such distributions. If AST LLC does not distribute sufficient funds to us to pay our taxes or other liabilities, we may default on contractual obligations or need to borrow additional funds, which may not be available. In the event that we are required to, and able to, borrow additional funds it could adversely affect our liquidity and subject us to additional restrictions imposed by lenders. If we were deemed an “ investment company ” under the Investment Company Act of 1940, as amended (the “ Investment Company Act ”), applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business. An issuer will generally be deemed to be an “ investment company ” for purposes of the Investment Company Act if: • it is an “ orthodox ” investment company because it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or • it is an inadvertent investment company because, absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. We believe that we are engaged primarily in the business of developing and providing access to a space- based cellular broadband network to be accessible by standard smartphones and not primarily in the business of investing, reinvesting or trading in securities. We hold ourselves out as communications company and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we do not believe that we are an “ orthodox ” investment company as described in the first bullet point above. Furthermore, we treat AST as a majority- owned subsidiary for purposes of the Investment Company Act. Therefore, we believe that less than 40 % of our total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis comprise assets that could be considered investment securities. Accordingly, we do not believe that we or AST will be an inadvertent investment company by virtue of the 40 % inadvertent investment company test as described in the second bullet point above. Also, we believe we will not be an investment company under section 3 (b) (1) of the Investment Company Act because we will be primarily engaged in a non- investment company business. The Investment Company Act and the rules thereunder contain detailed parameters for the organization and operations of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, prohibit the issuance of stock options, and impose certain governance requirements. We intend to continue to conduct our operations so that we will not be deemed to be an investment company under the Investment Company Act. However, if anything were to happen that would cause us to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on our capital structure, ability to transact business with affiliates (including AST) and ability to compensate key employees, could make it impractical for us to continue our business as currently conducted, impair the agreements and arrangements between and among AST, us or our senior management team, or any combination thereof and materially and adversely affect our business, financial condition and results of operations. Risks Related to Tax Our principal asset is our interest in AST LLC, and accordingly we depend on distributions from AST LLC to make any payments required to be made by us under the Tax Receivable Agreement. AST LLC is treated as partnership for U. S. federal income tax purposes and, as such, generally is not subject to any entity- level U. S. federal income tax. Instead, taxable income is allocated, for U. S. federal income tax purposes, to the holders AST Common Units and Incentive Equity Units. Under the terms of the A & R Operating Agreement, AST LLC is obligated to make pro rata tax distributions to holders of AST Common Units and Incentive Equity Units calculated at certain assumed rates. In addition to tax expenses, we will also

incur expenses related to our operations, including payment obligations under the Tax Receivable Agreement, which could be significant and some of which will be reimbursed by AST LLC (excluding payment obligations under the Tax Receivable Agreement). For so long as we are Managing Member (as defined in the A & R Operating Agreement) of AST LLC, we intend to cause AST LLC to make ordinary distributions and tax distributions to the holders of AST Common Units and Incentive Equity Units on a pro rata basis in amounts sufficient to enable us to cover all applicable taxes, relevant operating expenses, payments under the Tax Receivable Agreement and dividends, if any, declared by us. However, AST LLC's ability to make such distributions may be subject to various limitations and restrictions, including, but not limited to, retention of amounts necessary to satisfy the obligations of AST LLC and its subsidiaries and restrictions on distributions that would violate any applicable restrictions contained in AST LLC's debt agreements, or any applicable law, or that would have the effect of rendering AST LLC insolvent. To the extent we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid. Additionally, nonpayment for a specified period and/or under certain circumstances may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore accelerate payments under the Tax Receivable Agreement, which could be material. If the distributions received from AST LLC exceed our actual tax liabilities and obligations to make payments under the Tax Receivable Agreement, our Board of Directors, in its sole discretion, will make any determination from time to time with respect to the use of any such excess cash so accumulated, which may include, among other uses, to pay dividends on our Class A Common Stock. We will have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. The Tax Receivable Agreement requires us to make cash payments to the TRA Holders in respect of certain tax benefits and such payments may be substantial. In certain cases, payments under the Tax Receivable Agreement may (i) exceed any actual tax benefits the Tax Group realizes or (ii) be accelerated. In connection with the Business Combination, we entered into the Tax Receivable Agreement. Pursuant to the Tax Receivable Agreement, we are generally required to pay the TRA Holders (as defined in the Tax Receivable Agreement) 85 % of the amount of savings, if any, in U. S. federal, state, local, and foreign taxes that are based on, or measured with respect to, net income or profits, and any interest related thereto that we and any applicable consolidated, unitary, or combined Subsidiaries (the "Tax Group") realize, or are deemed to realize, as a result of certain "Tax Attributes", which include: • existing tax basis in certain assets of AST LLC and certain of its direct or indirect Subsidiaries, including assets that will eventually be subject to depreciation or amortization, once placed in service, attributable to AST Common Units acquired by us from a TRA Holder (including AST Common Units held by a Blocker Corporation (as defined in the Tax Receivable Agreement) acquired by us in a Reorganization Transaction (as defined in the Tax Receivable Agreement)), each as determined at the time of the relevant acquisition; • tax basis adjustments resulting from taxable exchanges of AST Common Units (including any such adjustments resulting from certain payments made by us under the Tax Receivable Agreement) acquired by us from a TRA Holder pursuant to the terms of the A & R Operating Agreement; • tax deductions in respect of portions of certain payments made under the Tax Receivable Agreement; and • certain tax attributes of Blocker Corporations holding AST Common Units that are acquired directly or indirectly by us pursuant to a Reorganization Transaction. Payments under the TRA generally will be based on the tax reporting positions that we determine (with the amount of subject payments determined in consultation with an advisory firm and subject to the TRA Holder Representative's review and consent), and the IRS or another taxing authority may challenge all or any part of a position taken with respect to Tax Attributes or the utilization thereof, as well as other tax positions that we take, and a court may sustain such a challenge. In the event that any Tax Attributes initially claimed or utilized by the Tax Group are disallowed, the TRA Holders will not be required to reimburse us for any excess payments that may previously have been made pursuant to the Tax Receivable Agreement, for example, due to adjustments resulting from examinations by taxing authorities. Rather, any excess payments made to such TRA Holders will be applied against and reduce any future cash payments otherwise required to be made by us to the applicable TRA Holders under the Tax Receivable Agreement, after the determination of such excess. However, a challenge to any Tax Attributes initially claimed or utilized by the Tax Group may not arise for a number of years following the initial time of such payment and, even if challenged earlier, such excess cash payment may be greater than the amount of future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement. As a result, there might not be future cash payments against which such excess can be applied and we could be required to make payments under the Tax Receivable Agreement in excess of the Tax Group's actual savings in respect of the Tax Attributes. Moreover, the TRA provides that, in the event (such events collectively, "Early Termination Events") that (i) we exercise our early termination rights under the Tax Receivable Agreement, (ii) certain changes of control of the Company or AST occur (as described in the A & R Operating Agreement), (iii) we, in certain circumstances, fail to make a payment required to be made pursuant to the TRA by its final payment date, which non-payment continues for 60 days following such final payment date or (iv) we materially breach (or are deemed to materially breach) any of our material obligations under the TRA other than as described in the foregoing clause (iii) and, in the case of clauses (iii) and (iv), unless certain liquidity related or restrictive covenant related exceptions apply, our obligations under the TRA will accelerate (if the TRA Holder Representative so elects in the case of clauses (ii)- (iv)) and, we will be required to make a lump- sum cash payment to all the TRA Holders equal to the present value of all forecasted future payments that would have otherwise been made under the TRA, which lump- sum payment would be based on certain assumptions, including those relating to there being sufficient future taxable income of the Tax Group to fully utilize the Tax Attributes over certain specified time periods and that all AST Common Units (including AST Common Units held by Blocker Corporations) that had not yet been exchanged for Class A Common Stock or cash are deemed exchanged for cash. The lump- sum payment could be material and could materially exceed any actual tax benefits that the Tax Group realizes subsequent to such payment. Payments under the TRA will be our obligations and not obligations of AST LLC. Any actual increase in our allocable share of AST and its relevant subsidiaries' tax basis in relevant assets, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of exchanges, the market

price of the Class A Common Stock at the time of an exchange of AST Common Units by a TRA Holder pursuant to the terms of the A & R Operating Agreement and the amount and timing of the recognition of the Tax Group's income for applicable tax purposes. While many of the factors that will determine the amount of payments that we will be required to make under the TRA are outside of our control, we expect that the aggregate payments we will be required to make under the TRA could be substantial and could have an adverse effect on our financial condition, which may be material. Any payments made by us under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make timely payments under the TRA for any reason, the unpaid amounts will be deferred and will accrue interest until paid. Additionally, nonpayment for a specified period and / or under certain circumstances may constitute a material breach of a material obligation under the TRA and therefore accelerate payments due under the TRA. Furthermore, our future obligation to make payments under the TRA could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the Tax Attributes that may be deemed realized under the TRA. Increases in income tax rates, changes in income tax laws or disagreements with tax authorities can adversely affect our, AST's or its subsidiaries' business, financial condition or results of operations. We could be adversely affected by changes in applicable tax laws, regulations, or administrative interpretations thereof in the United States or other jurisdictions. We could also be adversely affected by changes in applicable tax laws, regulations, or administrative interpretations thereof in the United States or other jurisdictions and changes in tax law, including increases in applicable tax rates and limitations on deductions and credits, could reduce our after-tax income and adversely affect our business and financial condition. Our effective tax rate and tax liability are based on the application of current income tax laws, regulations and treaties. These laws, regulations and treaties are complex and often open to interpretation. In the future, the tax authorities could challenge our interpretation of laws, regulations and treaties, resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate. Changes to tax laws may also adversely affect our ability to attract and retain key personnel. Risks Related to Owning our Class A Common Stock Failure to establish and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and stock price. We are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. Additionally, once we no longer qualify as a "smaller reporting company," we will be required to have our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. An adverse report may be issued in the event our independent registered public accounting firm is not satisfied with the level at which our controls are documented, designed or operating. A material weakness is a deficiency, or combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. When evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. ~~On April 12, 2021, the Acting Chief Accountant and Acting Director of the Division of Corporation Finance of the SEC issued a Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs") (the "SEC Staff Statement"). Following this issuance of the SEC Staff Statement, after consultation with our independent registered public accounting firm, our management and our audit committee concluded that, in light of the SEC Staff Statement, it was appropriate to restate our previously issued audited financial statements as of and for the years ended December 31, 2020 and 2019 (the "Restatement"). See "Our outstanding warrants are accounted for as liabilities and the changes in value of our Warrants could have a material effect on our financial results." As part of such process, we identified a material weakness in our internal controls over financial reporting which was remediated.~~ We are an emerging growth company and smaller reporting company, and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies and smaller reporting companies could make our Class A Common Stock less attractive to investors. We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including: • not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act; • reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and • exemptions from the requirements of holding a nonbinding advisory vote on executive compensation or golden parachute payments not previously approved. Our status as an emerging growth company will end as soon as any of the following takes place: • the last day of the fiscal year in which we have more than \$ 1.07 billion in annual revenue; • the date we qualify as a "large accelerated filer," with at least \$ 700.0 million of equity securities held by non-affiliates; • the date on which we have issued, in any three-year period, more than \$ 1.0 billion in non-convertible debt securities; or • December 31, 2024, the last day of the fiscal year ending after the fifth anniversary of NPA's initial public offering. Further, the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a registration statement under the Securities Act declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with

another public company, which is neither an emerging growth company nor a company that has opted out of using the extended transition period, difficult because of the potential differences in accounting standards used. We are also a smaller reporting company, as defined in the Exchange Act. Even after we no longer qualify as an emerging growth company, we may still qualify as a smaller reporting company, which would allow us to continue taking advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 (b) of the Sarbanes- Oxley Act and reduced disclosure obligations regarding executive compensation in this Annual Report on Form 10- K and our periodic reports and proxy statements. We cannot predict if investors will find our securities less attractive if we choose to rely on any of the exemptions afforded to emerging growth companies or smaller reporting companies. If some investors find our securities stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our securities and the market price of those securities may be more volatile. A significant portion of our total outstanding shares of our Class A Common Stock (or shares of our Class A Common Stock that may be issued in the future pursuant to the exchange or redemption of AST Common Units) are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our Class A Common Stock to drop significantly, even if our business is doing well. Subject to certain exceptions, pursuant to certain Stockholders' Agreement, dated as of April 6, 2021, by and among the Company and the Stockholder Parties (" Stockholders' Agreement ") the Stockholders' Agreement, the Sponsor and the AST Equityholders (together, the " Stockholder Parties ") are contractually restricted from transferring any SpaceMobile common stock held by such party (other than approximately 2, 500, 000 shares of Class A Common Stock purchased by certain Existing Equityholders in the Private Investment in Public Equity Investment (" PIPE Investment ")) for a period of one year following the Closing of our initial business combination, or April 6, 2022 (the " Lock- Up Period "). Following the expiration of the Lock- up Period, no Stockholder Party will be restricted from selling shares of our Class A Common Stock held by them or that may be received by them in exchange for AST Common Units or warrants, as the case may be, other than by applicable securities laws. As such, sales of a substantial number of shares of our Class A Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A Common Stock. As of March 28, 2023-2024, the Stockholder Parties collectively owned approximately 69-53. 5-7% of our outstanding common stock, representing approximately 93-87. 2-6% of the voting power of our common stock, and the AST Equityholders, in turn, owned approximately 67-52. 2-5% of the AST Common Units. As restrictions on resale end, the sale or possibility of sale of these shares of Class A Common could have the effect of increasing the volatility in the market price of our Class A Common Stock, or decreasing the market price itself. We require substantial amounts of capital, and we expect such requirements will increase in the future. As a result, our stockholders may experience future dilution as a result of future equity offerings and such dilution may be substantial. **In order to execute our business plans, we will need a substantial amount of capital in the near term and in the future to further our business plan and develop the SpaceMobile Service, including expenses to: • design, develop, assemble, integrate, test and launch our Block 2 BB satellites; • purchase direct materials and components; • expand our AIT facilities and production capabilities; and • support satellite and network operations.** We expect to raise additional funds through the issuance of equity, equity related or debt securities, secured loan facilities, or through obtaining credit from government or financial institutions or commercial partners, although our ability, if any, to access the capital markets during this period of volatility may require us to modify our current expectations. We are in discussions with various financing sources to enhance liquidity. We may in the future offer additional shares of our Class A Common Stock or other securities convertible into or exchangeable for our Class A Common Stock at a price per share that may be less than the price per share paid by any investors in previous offerings, and investors purchasing shares or other securities in the future could have rights superior to existing stockholders. Given the substantial capital needs of our business and business plans, any such dilution may be substantial. **Exercise of outstanding warrants-If we are unable to purchase raise additional capital in the future, it may result in our independent auditors or management expressing substantial doubt about our ability to continue as a going concern in future financial statements. There can be no assurance that we will be able to raise additional funds when needed or on favorable terms or at all. If we cannot raise additional funds when needed, our independent auditors or management may express substantial doubt about our ability to continue as a going concern in future financial statements. Because we will incur much of the costs and expenses from these efforts before we receive any revenues with respect thereto, our losses in future periods will be significant. Also, we have in the past and may in the future find that these efforts are more expensive than we currently anticipate, as our business plan is dependent upon our ability to successfully launch satellites and build the SpaceMobile Service, but also to control costs. The design, manufacture and launch of satellite systems are highly complex and historically have been subject to frequent delays and cost over- runs. The nature of our business thus requires us to regularly reevaluate our business plans and forecasts, and any prior projections should be disregarded unless otherwise indicated. Given the novelty of our business, there is no guarantee that our capital needs will not increase, and such increases may be substantial. Any debt we incur may be either unsecured or secured. To the extent that we incur such debt in the future, such creditors would have the right to receive payment on account of such debt in a bankruptcy or liquidation prior to equityholders receiving any payments and if secured, would have a security interest in all or certain of our assets. There can be no assurance that additional funds will be available to us on favorable terms or at all. If we cannot raise additional funds when needed, our financial condition, results of operations, business and prospects may be materially and adversely affected. Further, despite our recent financing transactions, our need for capital in the future may result in our independent auditors or management expressing substantial doubt about our ability to continue as a going concern in future financial statements. If we were to receive a going concern qualification in our financial statements, the trading price of our Class A Common Stock could be significantly negatively impacted. Exercise of outstanding warrants to purchase our Class A Common Stock and any conversion of our Notes will result in dilution to**

our stockholders. As of March 28, 2023-2024, there are 17, 597, 600 outstanding warrants to purchase 17, 597, 600 shares of our Class A Common Stock at an exercise price of \$ 11. 50 per share, which may be exercised at any time. **Additionally, the holders of our Notes may at their option convert the Notes (subject to certain exceptions) at any time on or after January 16, 2025 or prior to January 16, 2025 in the event that we undergo a fundamental change at the initial conversion rate of 173. 9130 shares of Class A Common Stock per \$ 1, 000 principal amount of Notes (equivalent to an initial conversion price of \$ 5. 75 per share of Class A Common Stock). As of March 28, 2024 such amount is the equivalent of 19, 130, 435 and represents the number of Class A Common Stock convertible on the \$ 110. 0 million currently outstanding.** To the extent such warrants are exercised, **and / or notes are converted,** additional shares of our Class A Common Stock will be issued, which will result in dilution to the holders of our Class A Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such **dilution is possible** warrants may be exercised could adversely affect the market price of our Class A Common Stock. As a holding company, we will depend on the ability of AST LLC to make distributions to us. We are a holding company and do not have any significant operations or assets other than our ownership of partnership interests in AST LLC. Distributions from AST LLC will be our primary source of funds to meet ongoing cash requirements, including future debt service payments, if any, and other expenses. The inability of AST LLC to make distributions in an amount sufficient to enable us to meet our cash requirements at the holding company level could have an adverse effect on our operations and our ability to pay dividends to our stockholders if our board of directors determined to do so in the future and / or meet our debt service obligations, if any. Provisions in our organizational documents and certain rules imposed by regulatory authorities may delay or prevent our acquisition by a third-party. Our Bylaws require, unless we consent in writing to the selection of an alternative forum, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (iii) any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the DGCL or our Second Amended and Restated Certificate of Incorporation (“ Charter ”) or Bylaws, or (iv) any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine may be brought only in the Court of Chancery in the State of Delaware, except any claim (a) as to which the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within 10 days following such determination), (b) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, (c) for which the Court of Chancery does not have subject matter jurisdiction, or (d) any action arising under the Securities Act, as to which the Court of Chancery and the federal district court for the District of Delaware shall have concurrent jurisdiction. If an action is brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder’s counsel. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Notwithstanding the foregoing, our Bylaws provide that the exclusive forum provision will not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. For more information, see “ Description of Capital Stock. ” General Risk Factors The market price and trading volume of our securities may be volatile. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our Class A Common Stock in spite of our operating performance. We cannot assure you that the market price of our Class A Common Stock will not fluctuate widely or decline significantly in the future in response to a number of factors, including, among others, the following: • the realization of any of the risk factors presented in this report; • developments involving our competitors; • variations in our operating performance and the performance of our competitors in general; • difficult global market and economic conditions; • loss of investor confidence in the global financial markets and investing in general; • inability to attract, retain or motivate our directors, officers or other key personnel; • adverse market reaction to indebtedness we may incur, securities we may grant under our 2020 Plan or otherwise, or any other securities we may issue in the future, including shares of Class A Common Stock; • failure to meet securities analysts’ earnings estimates; • publication of negative or inaccurate research reports about us or our industry or the failure of securities analysts to provide adequate coverage of the Class A Common Stock in the future; • speculation in the press or investment community about our business; • additions and departures of key employees and personnel; • competition for talent and skill- sets required; • commencement of, or involvement in, litigation involving us; • the volume of shares of our Class A Common Stock available for public sale; • additional or unexpected changes or proposed changes in laws or regulations or differing interpretations thereof affecting our business or enforcement of these laws and regulations, or announcements relating to these matters; • increases in compliance or enforcement inquiries and investigations by regulatory authorities, including as a result of regulations mandated by the Dodd- Frank Act and other initiatives of various regulators that have jurisdiction over us; and • adverse publicity about our industry. Information available in public media that is published by third parties, including blogs, articles, message boards and social and other media may include statements not attributable to the Company and may not be reliable or accurate. We have received, and may continue to receive, a high degree of media coverage that is published or otherwise disseminated by third parties, including blogs, articles, message boards and social and other media. This includes coverage that is not attributable to statements made by our officers or associates.

Information provided by third parties may not be reliable or accurate, may travel quickly through social media, and could materially impact the trading price of our Class A Common Stock. We may be subject to **litigation, including** securities class action litigation **or other claims relating to our business operations**, which may harm our **reputation**, business, financial condition and results of operations. Companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We **are already a party to securities class action litigation and** may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and damages, and divert management's attention from other business concerns, which could seriously harm our **reputation**, business, financial condition and results of operations. We may also be called on to defend ourselves against lawsuits relating to our business operations. Some of these claims may seek significant damage amounts due to the nature of our business. Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such proceedings. A future on- payment outcome in a legal proceeding could have an adverse impact on our business, financial condition and results of operations. Also, current and future litigation, regardless of its merits, could result in substantial legal fees, settlement or judgment costs and a diversion of management's attention and resources that are needed to successfully run our business. Our outstanding warrants are accounted for as liabilities and the changes in value of our warrants could have a material effect on our financial results. On April 12, 2021, the Acting Chief Accountant and Acting Director of the Division of Corporation Finance of the SEC issued a Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs") (the "SEC Staff Statement"). The SEC Staff Statement sets forth the conclusion of the SEC's Office of the Chief Accountant that certain provisions included in the warrant agreements entered into by many special purpose acquisition companies require such warrants to be accounted for as liabilities measured at fair value, rather than as equity securities, with changes in fair value during each financial reporting period reported in earnings. As a result of the SEC Staff Statement, we reevaluated the accounting treatment of our warrants, and determined to classify the warrants as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings. As a result, included on our ~~audited Consolidated~~ **consolidated Balance Sheet** ~~as of December 31, 2023 and 2022 and 2021~~ **Balance Sheet** as of December 31, **2023 and 2022** and 2021 contained elsewhere in this report are derivative liabilities related to embedded features contained within our warrants. ~~ASC Accounting Standards Codification~~ **ASC** Accounting Standards Codification 815, Derivatives and Hedging ("ASC 815"), provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non- cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our ~~audited~~ consolidated financial statements and results of operations may fluctuate quarterly, based on factors which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non- cash gains or losses on our warrants each reporting period and that the amount of such gains or losses could be material. An active trading market for our securities may not be maintained. We can provide no assurance that we will be able to maintain an active trading market for our Class A Common Stock on Nasdaq or any other exchange in the future. If an active market for our securities is not maintained, or if we fail to satisfy the Nasdaq continued listing standards for any reason and our securities are delisted, it may be difficult for our security holders to sell their securities without depressing the market price for the securities or at all. An inactive trading market may also impair our ability to both raise capital by selling shares of capital stock and acquire other complementary products, services, technologies or businesses by using our shares of capital stock as consideration. Securities analysts may not publish favorable research or reports about our business or may publish no information at all, which could cause our stock price or trading volume to decline. The trading market for our securities is influenced to some extent by the research and reports that industry or financial analysts publish about us and our business. We do not control these analysts, and the analysts who publish information about our company may have relatively little experience with us or our industry, which could affect their ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us provide inaccurate or on- payment research or issue an adverse opinion regarding our stock price, our stock price could decline. If one or more of these analysts cease coverage of us or fail to publish reports covering us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline. Global macroeconomic conditions may negatively affect us and may magnify certain risks that affect our business. Our business is sensitive to general economic conditions, both inside and outside the U. S. Slower global economic growth, credit market crises, high levels of unemployment, reduced levels of capital expenditures, government deficit reduction, changes in inflation and interest rate environments, sequestration and other austerity measures and other challenges affecting the global economy adversely affects us and our distributors, customers, and suppliers. It is uncertain how long these effects will last or whether economic and financial trends will worsen or improve. Changes in economic conditions and supply chain constraints and steps taken by governments and central banks could lead to higher inflation than previously experienced or expected, which could, in turn, lead to an increase in costs. In an inflationary environment, we may experience increased operating costs. Such uncertain economic times may have a material adverse effect on our results of operations, financial condition and, if circumstances worsen, our ability to raise capital at reasonable rates. If slower growth in the global economy continues for a significant period, if there is significant deterioration in the global economy or if improvements in the global economy ~~don't~~ **do not** benefit the markets we serve, our business and financial condition could be adversely affected.