Risk Factors Comparison 2024-04-16 to 2023-03-31 Form: 10-K

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You should carefully consider the following risk factors, in addition to the other information contained in this report on Form 10- K, including the section of this report titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and our financial statements and related notes. If any of the events described in the following risk factors and the risks described elsewhere in this report occurs, our business, operating results and financial condition could be seriously harmed. This report on Form 10- K also contains forward- looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward- looking statements as a result of factors that are described below and elsewhere in this report. We have sustained recurring losses since inception and expect to incur additional losses in the foreseeable future. We were formed on June 12, 2006 **,** and have reported annual net losses since inception. For our fiscal years ended December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022** , we experienced net losses of $ **16. 1 million and $** 19. 7 million ~~and $ 6. 6 million~~ , respectively, including cash and ~~noncash~~ **non- cash** expenses under generally accepted accounting principles ~~)~~ . Non- cash expenses including depreciation, amortization, non- cash compensation and contingent consideration included in the above losses are $ **4. 3 million and $** 9. 2 ~~million and $ 1. 3~~ million for fiscal years ended December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022** , respectively. Further, as of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~77~~ **93** . ~~3~~ **4** million. In addition, we expect to incur additional losses in the future, and there can be no assurance that we will achieve profitability. Our future viability, profitability and growth depend upon our ability to raise capital and successfully operate and expand our operations. We cannot ~~assure~~ **ensure** that any of our efforts will prove successful or that we will not continue to incur operating losses. We may need to raise additional capital or financing to continue to execute and expand our business. Our net proceeds from ~~a~~ public ~~offering~~ **offerings** in 2020 **and 2023** helped to fund our operations for recent years ~~. On September 2, 2022, we entered into a Common Stock Purchase Agreement with B. Riley, under which the Company has the right, in its sole discretion, to sell to B. Riley up to $ 30. 0 million, or a maximum of 2. 0 million shares of the Company' s common stock at 97 % of the volume weighted average price (" VWAP ") of the Company' s common stock~~ . However, there is no guarantee that we can raise capital ~~using this vehicle~~ at terms that are acceptable to the Company if we need to fund investment in our business or if it takes longer than expected to achieve positive cashflow. We may be required to pursue sources of additional capital through various means, including sale and leasing arrangements, and debt ~~or equity financings~~ - **financing** . If the amount of capital we **can** ~~are able to~~ raise from financing activities, together with our revenues from operations, is not sufficient to satisfy our capital needs, we may have to reduce our operations accordingly. Our revenues are concentrated in a small number of customers and ~~they~~ **our revenue** may decrease significantly if we were to lose one of these customers. We have a few large customers including the ~~State of California' s~~ **U. S. Army and the** Department of **Veterans Affairs** ~~General Services and the City of New York~~ that generated **38 % and** 16 % ~~and 6 %~~ , respectively, of revenues in ~~2022~~ **2023 . The loss** ~~and 38 % and 2 %, respectively,~~ of ~~revenues~~ **or a significant decline** in ~~2021~~ **sales to any of these customers could adversely affect our business, results of operations, and financial condition** . In addition, we were awarded several federal contracts in 2022, that may not be repeated in the future. The contract with the State of California can be used by a diverse group of state and local agencies within the state or across the country for the purchase of our products. The receipt of orders under this contract has been irregular and can create fluctuation in our revenues. In addition, there is no obligation for this customer to purchase any additional units, or to renew the contract when it expires. The State of California contract will expire on June 23, 2025. **14** Our revenue growth depends on consumers' willingness to adopt electric vehicles. Our growth is highly dependent upon the adoption of electric vehicles (" EV ") ~~, and we are subject to a risk of any reduced demand for EVs~~ . If the market for EVs does not gain broad market acceptance or develops more slowly than we expect, our business, prospects, financial condition and operating results may be harmed. The market for alternative fuel vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, frequent new vehicle announcements, long development cycles for EV original equipment manufacturers, and changing consumer demands and behaviors. Factors that may influence the purchase and use of alternative fuel vehicles, and specifically EVs, include: · perceptions about EV quality, safety (in particular with respect to lithium- ion battery packs), design, performance and cost, especially if adverse events or accidents occur that are linked to the quality or safety of EVs; · the limited range over which EVs may be driven on a single battery charge and concerns about running out of power without access to sufficient charging infrastructure; ~~14~~ · improvements in the fuel economy of the internal combustion engine; · the environmental consciousness of consumers; · volatility in the cost of oil and gasoline; · consumers' perceptions of the dependency of the U. S. on oil from unstable or hostile countries and the impact of international conflicts; · government regulations and economic incentives promoting fuel efficiency and alternate forms of energy; · access to charging stations and consumers' perceptions about convenience and cost to charge an EV; and · the availability of tax and other governmental incentives to purchase and operate EVs or future regulation requiring increased use of nonpolluting vehicles. The influence of any of these factors may negatively impact the widespread consumer adoption of EVs, which could materially adversely affect our business, operating results, financial condition and prospects. We may acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value and harm our business, revenue and financial results. As part of our business strategy, we intend to make acquisitions to add complementary companies, products or technologies, such as our recent ~~acquisition~~ **acquisitions** of All Cell **and Amiga** . Our acquisitions may not achieve our goals, and we may not realize benefits from acquisitions. Any integration process will require significant time and resources, and we may not be able to manage the process successfully. If we fail to successfully integrate acquisitions, or the personnel or technologies associated with those acquisitions, the business, revenue and financial results of the combined company could be harmed. We may not successfully evaluate or utilize the acquired assets and accurately forecast the financial impact of an acquisition, including accounting charges. We may also incur unanticipated liabilities that we assume as a result of acquiring companies. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our securities. We would expect to finance any future acquisitions through a **one or a** combination of ~~additional issuances of~~ equity, **debt** ~~corporate indebtedness~~ or cash from operations. The sale of equity to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations. In the future, we may not be able to find other suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all. Our acquisition strategy could require significant management attention, disrupt our business and harm our business, revenue and financial results. **15** We ~~are~~ **may fail to realize all of the anticipated benefits of the acquisition of Amiga or those benefits may take longer to realize than expected and our business, financial condition and results of operation could be materially and adversely affected. We may also encounter significant difficulties in integrating Amiga with Beam and its operations. Our ability to realize the anticipated benefits of the acquisition of Amiga will** ~~dependent~~ --- **depend, in part,** on ~~a limited number of suppliers for~~ our ~~battery cells~~ **ability to integrate Amiga** , **which may be a complex, costly, and time-consuming process. We will be required to devote significant management attention and resources to integrate the business practices and operations of the acquired business. The integration process may disrupt our business and, if implemented ineffectively, could restrict the realization of the full expected benefits. In addition, the integration of the acquired business may result in material unanticipated issues, expenses, liabilities, competitive responses, and diversion of management' s attention. The failure to meet the challenges involved in the integration process and to realize the anticipated benefits of the acquisition could cause** ~~and~~ - **an interruption of** ~~in the current market~~ , **or** ~~there is~~ a ~~risk that~~ **loss of momentum in, our operations and could materially and adversely affect our business, financial condition and results of operations. Many of** these ~~suppliers~~ **factors** will **be outside of our control and any one of them could result in increased costs, decreases in the amount of expected benefits and diversion of management' s time and energy, which could adversely affect our business, financial condition and results of operations and result in us becoming subject to litigation. In addition, even if the acquisition were to be integrated successfully, the anticipated benefits of the acquisition may not be realized within the anticipated time frame, or at all. We may** not be able to ~~provide cells~~ **maintain the results of operations or operating efficiency that we and the acquired business have achieved or might achieve separately. Further, additional unanticipated costs may be incurred in the integration process as a result of risks currently unknown to us. All these factors could cause reductions in our earnings per share, decrease or delay any accretive or other beneficial effect of the acquisition and negatively impact the price of our common stock. Amiga is a private Serbian company that has not been subject to an audit by an accounting firm under U. S. GAAP standards and has not previously been subject to the Sarbanes- Oxley Act of 2002, the rules and regulations of the SEC or other corporate governance requirements. Amiga is a private Serbian company. Prior to our acquisition of Amiga, Amiga had not had its financial statements reviewed or audited by an accounting firm under U. S. GAAP standards and has not been subject to the Sarbanes- Oxley Act of 2002, the rules and regulations of the SEC, or other corporate governance requirements to which public reporting companies may be subject. As a result, we are required to implement the appropriate internal control processes and procedures over Amiga' s financial accounting and reporting. We may incur significant legal, accounting, and other expenses in efforts to ensure that Amiga meets these requirements. Implementing the controls and procedures** at ~~prices~~ **Amiga that are required to comply with the various applicable laws and regulations may place a significant burden on our management and internal resources. The diversion of management' s attention and any difficulties encountered in such** ~~and~~ - **an** ~~volumes acceptable~~ **implementation could adversely affect our business, financial condition and operating results. Our inability** to ~~us~~ **successfully integrate Amiga' s operations could adversely affect our operations; potential need for additional financing. Our acquisition of Amiga requires our and Amiga' s significant attention and resources** , which could **reduce the likelihood of achievement of other corporate goals. Both we and Amiga** have ~~an adverse effect on~~ **experienced significant operating losses. As a result, we may need additional financing to help fund** our business ~~. We source battery cells from a few suppliers, but the demand for cells~~ and **satisfy our obligations, which will require additional management time to address** ~~for lithium has increased over the past year with the increase in electrification and the growing demand for electric vehicles~~ . ~~It~~ **There** is ~~possible~~ **no assurance** that **we** ~~our suppliers~~ will **realize** ~~not have adequate supply to cover our demand, or~~ the ~~price~~ **benefits** of the **acquisition** ~~cells will increase due to shortages, impacting our ability to ship units and / or cause the price~~ of **Amiga** ~~our products to increase. While we believe~~ that we **hope** will be ~~able~~ **achieved. As a result of the acquisition of Amiga, Beam expects** to ~~establish~~ **generate an increasing portion of its revenue internationally in the future and may become subject to various** additional **risks relating to its international activities, which could adversely affect its business, operating results and financial condition. 16 Beam has limited experience operating internationally and engaging in international business involves a number of difficulties and risks, including: · the challenges associated with building local brand awareness, obtaining local key opinion leader support and clinical support, implementing reimbursement strategies and building local marketing and sales teams; · required compliance with foreign regulatory requirements and laws, including regulations and laws; · trade relations among the United States and those foreign countries in which Beam' s future customers, distributors, manufacturers and** ~~supplier~~ **suppliers** ~~relationships~~ **have operations, including protectionist measures such as tariffs and import** ~~for~~ - **or export licensing requirements, whether imposed by the United States** ~~our~~ - **or** ~~battery cells~~ **such foreign countries; · difficulties and costs of staffing and managing foreign operations; · difficulties protecting** , ~~we~~ **procuring or enforcing intellectual property rights internationally; ·**

required compliance with anti- bribery laws, such as the U. S. Foreign Corrupt Practices Act, data privacy requirements, labor laws and anti- competition regulations; · laws and business practices that may favor local companies; · longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; · political and economic instability; and · potentially adverse tax consequences, tariffs, customs charges, bureaucratic requirements and other trade barriers. In the event that Beam dedicates significant resources to its international operations and is unable to manage these risks effectively, Beam' s business, operating results and financial condition may be ~~unable~~ **adversely affected. We are subject** to ~~do so in~~ **foreign currency exchange rate and** ~~the~~ **other** ~~short term~~ **related risks. With the acquisition of Amiga, we are subject to foreign currency exchange rate risk to the extent that** ~~or~~ **our** ~~at all at prices, quality or~~ costs ~~that~~ are ~~favorable~~ **denominated in currencies other than those in which we earn revenues. In addition, since our financial statements are denominated in U. S. dollars, changes in foreign currency exchange rates, especially the Euro and the Serbian Dinar, between the U. S. dollar and other currencies will impact our results of operations, financial condition, and cash flows. We also face risks arising from the imposition of foreign exchange controls and currency devaluations. Foreign exchange controls may limit our ability** to ~~us~~ **convert foreign currencies into U. S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses located in or conducted within a country imposing control. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation** . We face intense competition, and many of our competitors have substantially greater resources than we do. ~~We~~ **Some companies** are ~~not aware of other companies~~ **beginning to offer similar products** that provide a similar infrastructure product that we do, utilizing solar energy to power EV charging in a transportable product **, but currently they do not provide all of the features and advantages that we offer, and which are patent protected** . However, we compete with traditional grid- tied charging stations. Our challenge is to market our products to ensure that potential customers in this industry are aware of our product offering. Competition in the solar renewable energy and EV charging industries is intense, and competition is fragmented among a wide variety of entities. We operate in a highly competitive environment that is characterized by price fluctuations and rapid technological change. Our competitors often have greater market recognition and substantially greater resources than we do. Competition in our market may intensify in the future. Competitors may develop products that may ultimately have costs similar to, or lower than, our projected costs. If we fail to compete successfully, our business would suffer and we may lose or be unable to gain market share and our business and results of operations would be adversely affected. ~~15~~ **17** A significant portion of our revenue is derived from our core product category. We are dependent on revenues from our EV ARC ™ product to be successful in the future. While we now have energy storage products following our acquisition of ~~AllCell~~ **All Cell** Technologies, Inc. in 2022 **,** and we offer our Solar Tree product and we intend to bring our EV **-** Standard ™ product to market, no assurance can be given that our EV ARC ™ sales will continue to have market acceptance or that they will continue to grow in the future. The loss or reduction of sales of this product category could have a material adverse effect on our business, results of operations, financial condition, and liquidity. The renewably energized EV charging industry, is an emerging market that is constantly evolving and may not develop to the size or at the rate we expect. Solar and wind powered EV charging, is an emerging and constantly evolving market. We believe the industry may take several years to fully develop and mature, and we cannot be certain that the market will grow at the rate we expect. Any future growth of EV charging, and the success of our products depend on many factors beyond our control. These factors include without limitation recognition and acceptance of EVs and EV charging products by customers and users, the pricing of alternative sources of energy, a favorable regulatory environment, the continuation of expected tax benefits and other incentives and our ability to provide our product offerings cost- effectively. If the markets for EV charging do not develop at the rate we expect, our business may be adversely affected. Tariffs imposed pursuant to Section 201 of the Trade Act of 1974 could significantly and adversely affect our business, revenues, margins, results of operations, and cash flows. We currently have no plans to use solar modules which are subject to tariffs, however on January 23, 2018, the President of the United States issued Proclamation 9693, which approved recommendations to impose safeguard tariffs on imported solar cells and modules, based on the investigations, findings, and recommendations of the U. S. International Trade Commission (the " International Trade Commission "). Recently, we have purchased solar panels exclusively from one supplier who is exempt from these tariffs. However, additional tariffs were imposed on other products, including cells used in our batteries. It is possible that tariffs may increase the costs and restrict the supply of certain of our components, causing us harm. The imposition of tariffs is likely to result in a wide range of impacts on the targeted U. S. industries and the global market in general. Such tariffs, if our products or the parts we use to manufacture our products are ultimately determined to be subject to them, could result in significant additional costs to us. If we elected to pass such increase in costs on to our customers, they could cause a significant reduction in demand for our products. Existing regulations and policies and changes to these policies may present technical, regulatory, and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products and services. The market for electric generation products is heavily influenced by federal, state and local government laws, regulations and policies concerning the electric utility industry in the United States and abroad, as well as policies adopted by electric utilities. Changes that make solar power less competitive with other power sources could result in a significant reduction in the demand for our products. The market for electric generation equipment is also influenced by trade and local content laws, regulations and policies that can discourage growth and competition in the solar industry and create economic barriers to the purchase of solar power products, thus reducing demand for our products. Any new regulations or policies pertaining to our products may result in significant additional expenses to us, which could cause a significant reduction in demand for our solar power products. In high demand locations, the use of our products could exhaust ~~their~~ **its** electricity supply on particular days, even with our storage batteries. Our solar products create and store electricity during daylight hours. While this process has generally been effective to meet daily EV charging and energy storage demand, it is possible that heavy charging could cause a power draw exceeding the onboard electricity generation and storage capacity. In such instances, except for our grid- connected products, the EV charger would have to recharge through solar energy replenishment or other direct outside charge before EV charging could resume. ~~16~~ Developments in alternative technologies or improvements in distributed solar energy generation may have a material adverse effect on demand for our offerings. Significant developments in alternative technologies, such as advances in other forms of distributed solar power generation, storage solutions, such as batteries, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production, transmission and distribution, may have a material adverse effect on our business and prospects. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could result in product obsolescence, the loss of competitiveness of our products, decreased revenue and a loss of market share to competitors. **18** Defects or performance problems in our products could result in loss of customers, reputational damage, and decreased revenue, and we may face warranty, indemnity, and product liability claims arising from defective products. Although our products meet our stringent quality requirements, they may contain undetected errors or defects, especially when first introduced or when new generations are released. Errors, defects, or poor performance can arise due to design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both the quality and the yield of the product. Any actual or perceived errors, defects, or poor performance in our products could result in the replacement or recall of our products, shipment delays, rejection of our products, damage to our reputation, lost revenue, diversion of our engineering personnel from our product development efforts, and increases in customer service and support costs, all of which could have a material adverse effect on our business, financial condition, and results of operations. We may be subject to product liability claims. If one of our products were to cause injury to someone or cause property damage, including as a result of product malfunctions, defects, or improper installation, then we could be exposed to product liability claims. We could incur significant costs and liabilities if we are sued and if damages are awarded against us. Further, any product liability claim we face could be expensive to defend and could divert management' s attention. The successful assertion of a product liability claim against us could result in potentially significant monetary damages, penalties or fines, subject us to adverse publicity, damage our reputation and competitive position, and adversely affect sales of our products. In addition, product liability claims, injuries, defects, or other problems experienced by other companies in the solar industry could lead to unfavorable market conditions for the industry as a whole and may have an adverse effect on our ability to attract new customers, thus harming our growth and financial performance. If we are unable to keep up with advances in EV technology, we may suffer a decline in our competitive position. The EV industry is characterized by rapid technological change. We do not manufacture the EV service equipment (EVSE) which connects to the EV, rather, we deliver power to other vendors' EVSE products. As such, we believe that we are less prone to impacts caused by changes in EV technology. Nevertheless, if we are unable to keep up with changes in EV technology or the costs associated with such changes, our competitive position may deteriorate which would materially and adversely affect our business, prospects, operating results and financial condition. As technologies change, we plan to upgrade or adapt our EV products in order to continue to provide EV charging services with the latest technology. If a third party asserts that we are infringing upon its intellectual property, it could be costly and time- consuming litigation, and our business may be harmed. The EV and EV charging industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets. Although we are not presently aware of any current or threatened third party intellectual property rights claims against the Company, there is a risk that the Company could face third party intellectual rights claims against its products and challenges to the validity or enforceability of its products and trademarks in the future which could harm our relationships with our customers, may deter future customers from subscribing to our services or could expose us to litigation with respect to these claims. The success of our business depends in large part on our ability to protect and enforce our intellectual property rights. We rely on a combination of patent, copyright, service mark, trademark, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights. We cannot assure you, however, that we will be successful in obtaining these patents, service marks or trademarks, or that these applications will not be challenged, that others will not attempt to infringe upon our rights, or that these filings will afford us adequate protection or competitive advantages. If we are unable to protect our rights to our intellectual property or if such property infringes on the rights of others, our business could be materially adversely affected. ~~17~~ The success of our business depends on the continuing contributions of Desmond Wheatley and other key personnel who may terminate their employment with us at any time, and we will need to hire additional qualified personnel. We rely heavily on the services of Desmond Wheatley, our chairman and chief executive officer, as well as other management personnel. The Compensation Committee has structured a long- term compensation plan to retain key employees, however, loss of the services of any such individuals would adversely impact our operations. In addition, we believe our technical personnel represent a significant asset and provide us with a competitive advantage over many of our competitors. Our future success will depend upon our ability to retain these key employees and our ability to attract and retain other skilled financial, engineering, technical and managerial personnel. **19** If we are unable to attract, train and retain highly qualified personnel, the quality of our services may decline and we may not successfully execute our growth strategies. Our success depends in large part upon our ability to continue to attract, train, motivate and retain highly skilled and experienced employees, including technical personnel. The loss of personnel or our inability to hire or retain sufficient personnel at competitive rates of compensation could impair our ability to secure and complete customer engagements and could harm our business. We are exposed to various possible claims and hazards relating to our business, and our insurance may not fully protect us. Although we maintain modest theft, casualty, liability, cyber and property insurance coverage, along with worker' s compensation and related insurance, we cannot assure that we will not incur uninsured liabilities and losses as a result of the conduct of our business. In particular, we may incur liability if one or more of our other products are deemed to have caused a personal injury. Should uninsured losses occur, they would have a material adverse effect on our operating results, financial condition, and business performance **. Cyber- attacks or other breaches of information technology security could adversely impact our business and operations. Cyber- attacks or other breaches of network or information technology security may cause equipment failure or disruption to our**

operations. Such attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access, on companies have increased in frequency, scope and potential harm in recent years. While, to the best of our knowledge, we have not been subject to cyber- attacks or to other cyber incidents which, individually or in the aggregate, have been material to our operations or financial conditions, the preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber-attack in the future. To the extent that any disruption or security breach results in a loss or damage to our data or unauthorized disclosure of confidential information, it could cause significant damage to our reputation, affect our relationship with our customers, suppliers and employees, and lead to claims against us and ultimately harm our business. Additionally, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future. While we maintain specific cyber insurance coverage, which may apply in the event of various breach scenarios, the amount of coverage may not be adequate in any case. Furthermore, because cyber threat scenarios are inherently difficult to predict and can take many forms, some breaches may not be covered under our cyber insurance coverage . We may face litigation in the future. As a manufacturer and seller of goods, we are exposed to the risk of litigation for a variety of reasons in addition to reasons relating to intellectual property rights, product liability lawsuits, employee lawsuits, commercial contract disputes, government enforcement actions, and other legal proceedings. We cannot assure that future litigation in which we may become involved will not have a material adverse effect on our financial condition, operating results, business performance, and business reputation. The costs incurred by us to develop and manufacture our products may be higher than anticipated which could hurt our ability to earn a profit. We may incur substantial cost overruns in the development, manufacture, and distribution of products. The cost of production materials increased during the COVID- 19 pandemic and they continue to be higher than pre- pandemic days. Unanticipated costs may force us to obtain additional capital or financing from other sources and would hinder our ability to earn a profit. If we incur cost overruns, there is no assurance that we could obtain the financing or capital to cover them. The equipment comprising our products currently charge at rates that are comparable to the average charging speed of competitors, but that may change in the future. Our standard EV ARC ™ as a stand- alone does not provide a DC Fast Charge, rather, it charges EVs at a Level II pace which is consistent with the majority of installed EV chargers in the U. S. To date, we have found that since most EV trips are relatively short and local, the standard EV ARC ™ has satisfied consumer demand. Our EV ARC ™ HP DC Fast Charging Electric Vehicle Autonomous Renewable Charger can provide a DC Fast Charge, so we believe we can compete in that market. Nevertheless, the demand for faster EV charging may increase in the future, requiring us to adjust our marketing and sales strategies. There is no assurance that our equipment will remain competitive in the market in the future, causing possible customer complaints and claims, and the loss of sales in the future. **20** Our Company depends on key suppliers. The Company sources its materials and components from a wide variety of vendors. They are standard off- the- shelf components, but these components differ between manufacturers in terms of their specifications and performance. If one of these components became unavailable, it could hinder our ability to operate profitably and have a material adverse impact on our operating results, financial condition and business performance. We may be able to secure supply from another source and incorporate it in our design, but it would require modifications which could impact product deliveries. For these components, we maintain adequate supply to mitigate any supply risk. ~~18~~ We have experienced technological changes in our industry. New technologies may prove inappropriate and result in liability to us or may not gain market acceptance by our customers. The industries in which we operate are subject to constant technological change. Our future success will depend on our ability to appropriately respond to changing technologies and changes in function of products and quality. If we adopt products and technologies that are not attractive to consumers, we may not be successful in capturing or retaining a significant share of our market. In addition, some new technologies are relatively untested and unperfected and may not perform as expected or as desired, in which event our adoption of such products or technologies may cause us to lose money. Existing regulations, and changes to such regulations, may present technical, regulatory and economic barriers to the purchase and use of our products, which may significantly reduce demand for our products. Installation of a small number of our products is subject to oversight and regulation in accordance with national and local ordinances, building codes, zoning, environmental protection regulation, utility interconnection requirements for metering and other rules and regulations. In particular, our new EV Standard ™ product, designed to provide curbside EV charging through existing or newly installed street lampposts owned by municipalities and utilities, will require close cooperation with, and supervision by, local government agencies. We attempt to keep up- to- date about these requirements on a national, state, and local level, and must design systems to comply with varying standards. Certain cities may have ordinances that increase the cost of installation of our products. In addition, new government regulations or utility policies pertaining to power systems are unpredictable and may result in significant additional expenses or delays in the installation of our grid-connected products and, as a result, could cause a significant reduction in demand, especially for our EV Standard ™ product. Our media branding and advertising strategy may not be profitable. We are able to equip our EV ARC ™ and Solar Tree ® platforms with digital advertising screens with content that can be controlled directly, and in some cases, remotely. We may also sell other forms of media across our product platforms, such as naming rights or sponsorship deals, as well as traditional fixed media. There is no assurance that the revenue model crafted for this capability will be successful or profitable or will not result in operating losses or rejection by government regulators or consumers. Sponsors and advertisers for the service may not materialize or be willing to pay the rates sought by us or our customers. Our business may be impacted by the availability to our customers of rebates, tax credits and other financial incentives, the reduction, elimination or uncertainty of which would reduce the demand for our products. Many states offer substantial incentives to offset the cost of solar power systems, battery storage systems and EV charging infrastructure. These incentives can take many forms, including direct rebates, state tax credits, system performance payments and Renewable Energy Credits (RECs). Moreover, the federal government currently offers a 30 % tax credit for the installation of solar power systems and associated energy storage systems. This credit is in effect until 2032. There are additional federal grants available that encourage renewable investment. Businesses may also elect to accelerate the depreciation on their systems in the first year of ownership. Uncertainty about the introduction of, reduction in, or elimination of such incentives, or delays or interruptions in the implementation of favorable federal or state laws could substantially increase the cost of our systems to some of our customers, potentially resulting in significant reductions in demand for our products from non- governmental customers, which would negatively impact our sales. ~~Our business strategy may depend on the widespread adoption of solar power and EV charging technology. The market for solar power products is emerging and rapidly evolving, and its future success is uncertain. If solar power technology proves unsuitable for widespread commercial deployment or if demand for solar power products fails to develop sufficiently, we could be unable to generate enough revenues to achieve and sustain profitability and positive cash flow. The factors influencing the widespread adoption of solar power technology include but are not limited to: · cost- effectiveness and efficiency of solar power technologies as compared with conventional and non- solar alternative energy technologies; · performance and reliability of solar power products as compared with conventional and non- solar alternative energy products; · fluctuations in economic and market conditions which impact the viability of conventional and non- solar alternative energy sources, such as increases or decreases in the prices of oil and other fossil fuels; · continued deregulation of the electric power industry and broader energy industry; and · availability of governmental subsidies and incentives. 19~~ Compliance with new and existing environmental laws and rules is required. Compliance with new and existing environmental laws and rules could significantly increase construction and start- up costs for our customers, deterring customers from purchasing a small sub- set of our products and services. To install Beam' s Solar Tree ® products, our customers may be required to obtain and comply with a number of permitting requirements. As a condition of granting necessary permits, regulators could make demands that increase our customers' expected costs of construction and operations, in which case they may delay or cancel delivery of certain sub- sets of our products. Environmental issues, such as contamination and compliance with applicable environmental standards could arise at any time during the construction and operation of a customer' s project. If this occurs, it could require a customer to spend additional resources to remedy the issues and may delay or prevent construction or operation of the project. This is why we have focused on the development of autonomous infrastructure products which do not require construction for their deployment. **21** The success of our product offering may in some instances require the availability of locations provided by municipalities or private owners of real estate. Our ability to sell branding opportunities or licenses could be highly dependent on the availability of real estate to locate our product, or municipal approval for visible branding. We cannot assure that these rights will be available to us in the future or will be available on terms acceptable to us. The lack of availability of these rights could have a material adverse effect on our results of operations and financial condition in our media business unit. We may operate part of our business in which leasing or licensing agreements with venues or municipalities are necessary, so the long- term success of this aspect of our business could depend upon our ability to initiate such agreements and to renew these agreements upon their termination. We cannot assure that we will be able to renew these agreements on acceptable terms or at all, or that we will be able to obtain attractive agreements with substitute venues. Our cash and cash equivalents could be adversely affected if the financial institutions at which we hold our cash and cash equivalents fail. We maintain substantially all of our cash and cash equivalents in accounts with U. S. banks and financial institutions, including **Bank of America and** Silicon Valley **Bank as a division of First Citizens** Bank (" SVB"), and our deposits at these institutions exceed insured limits. Market conditions can impact the viability of these institutions. For example, on March 10, 2023, SVB was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (" FDIC ") as receiver. The FDIC created a successor bridge bank, Silicon Valley Bridge Bank, N. A. (" SVBB "), and all deposits of SVB were transferred to SVBB under a systemic risk exception approved by the Federal Reserve, the U. S. Treasury Department, and the FDIC. While the Federal Reserve, the U. S. Treasury Department, and the FDIC announced in a joint statement on March 12, 2023 that all SVB deposits, including both insured and uninsured amounts, would be available in full to account holders, a similar failure of any of the financial institutions where we maintain our cash and cash equivalents could impact our ability to access uninsured funds in a timely manner or at all. There is no guarantee that the Federal Reserve Board, the U. S. Treasury Department and the FDIC will provide access to uninsured funds in the future in the event of the closure of any other banks or financial institutions in a timely fashion or at all. Any inability to access or delay in accessing these funds could adversely affect our business, financial position, and liquidity. If we do not effectively diversify our bank deposits and investment portfolio, the value and liquidity of our investments may fluctuate substantially **,** which could affect our access to capital and results of operations in a material way. Furthermore, our access to our cash and cash equivalents in amounts adequate to finance our operations could be significantly impaired if the financial institutions with which we have arrangements directly face liquidity constraints or failures. Investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any material decline in available funding or our ability to access our cash and cash equivalents could adversely impact our results of operations and liquidity. ~~20~~ Risks Relating to our Organization and our Common Stock Our failure to meet the continued listing requirements of Nasdaq could result in a delisting of our common stock, which could negatively impact the market price and liquidity of our common shares and our ability to access the capital markets. Our common stock is listed on the Nasdaq Capital Market. If we fail to satisfy the continued listing requirements of Nasdaq, such as the corporate governance requirements and the minimum bid price requirement, Nasdaq may take steps to delist our common stock. Such a delisting would have a negative effect on the price of our common stock, impair the ability to sell or purchase our common stock when persons wish to do so, and any delisting materially adversely affect our ability to raise capital or pursue strategic restructuring, refinancing or other transactions on acceptable terms, or at all. Delisting from the Nasdaq Capital Market could also have other negative results, including the potential loss of institutional investor interest and fewer business development opportunities. In the event of a delisting, we would attempt to take actions to restore our compliance with Nasdaq' s listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement or prevent future non- compliance with Nasdaq' s listing requirements. **22** We have identified a material weakness in our internal controls over financial reporting. This material weakness could continue to adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner. If we fail to comply with the rules under the Sarbanes- Oxley Act of 2002 related to disclosure controls and procedures, or, if we discover material weaknesses and other deficiencies in our internal controls over financial reporting, our stock price could decline and raising capital could be more difficult. Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U. S. GAAP. Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. If we fail to comply with the rules under the Sarbanes- Oxley Act of 2002 related to disclosure controls and procedures, or, if we discover material weaknesses and other deficiencies in our internal control and accounting procedures, our stock price could significantly decline, and our business and financial condition could be adversely affected. If material weaknesses or significant deficiencies are discovered or if we otherwise fail to achieve and maintain the adequacy of our internal control, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act. Moreover, effective internal controls are necessary for us to produce reliable financial reports and are important to helping prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock could decline significantly. We **have** ~~currently do~~ not ~~have~~ **previously had** effective manufacturing or purchasing systems in place to track inventory and purchasing transactions or a perpetual inventory system. The Company **previously** ~~performs~~ **performed** manual processes during the year to track and control our inventory and purchases. While these processes provide good results in determining inventory and cost of sales transactions, as we grow, it has become a very time- consuming process and could impact our ability to submit timely reporting. We ~~are implementing~~ **implemented a** new **accounting** ~~systems~~ - **system** ~~beginning~~ in ~~January~~ **Q4** 2023 **which will** ~~with scheduled completion by the end of Q2 to~~ automate these functions which we believe will alleviate the material weakness in ~~2023~~ **the future** . However, we can give no assurance that such measures will remediate the material weakness identified or that any additional material weaknesses or restatements of financial results will not arise in the future. ~~21~~ Our stock price may be volatile. The public market trading price of our common stock is likely to be highly volatile, may decline, and could fluctuate widely in response to various factors, many of which are beyond our control, including the following: · changes in our industry; · competitive pricing pressures; · our ability to obtain working capital financing; · additions or departures of key personnel; · limited " public float " in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market price for our common stock; · sales of our common stock privately or in the public market, by us or by other shareholders; · our ability to execute our business plan; · operating results that fall below expectations; **23** · loss of any strategic relationship; · adverse regulatory developments; · adverse economic and other external factors; · additional dilution of ownership because of the issuance of new securities by us, and period- to- period fluctuations in our financial condition or operating results. In addition, the securities markets have from time- to- time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock. Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline. If our stockholders sell substantial amounts of our common stock in the public market, or upon the expiration of any statutory holding period under Rule 144 or issued upon the exercise of outstanding options or warrants, the market price of our common stock could decline because of or in anticipation of the selling pressure. The existence of anticipated sales, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity- related securities in the future at a time and price that we deem reasonable or appropriate. ~~22~~ ITEM 1B. UNRESOLVED STAFF COMMENTS.