

Risk Factors Comparison 2025-03-28 to 2024-03-27 Form: 10-K

Legend: New Text Removed Text Unchanged Text Moved Text Section

An investment in shares of our common stock is highly speculative and involves a high degree of risk. You should carefully consider all of the risks discussed below, as well as the other information contained in this Annual Report. If any of the following risks or uncertainties actually occur, our business, financial condition, results of operations, cash flow and prospects could be materially adversely affected. Additional risks or uncertainties not currently known to us, or that we deem immaterial, may also have a material adverse effect on our business' financial condition, results of operations or prospects. We cannot assure you that any of the events discussed in the risk factors below will not occur. In that case, the market price of our Class A common stock could decline and you may lose all or a part of your investment. Risks Related to the Company and Our Business

We have incurred losses from operations since inception and we anticipate that we will continue to incur losses for the foreseeable future. We have incurred losses from operations in each year since 2015, when Magnolia and Boulderado purchased majority ownership in the company, sold the prior business and commenced new business activities. Our net loss from operations for the fiscal years ended December 31, 2024 and 2023 ~~and 2022~~ was approximately \$ 8.5 million and \$ 8.9 million ~~and \$ 5.2 million~~, respectively. We have funded our operations to date principally from the sale of securities. In addition, as we acquire other businesses, we incur ongoing depreciation and amortization charges, which are typically spread over a number of years, as well as the costs of completing such acquisitions, which are expensed as incurred. For these reasons, we may continue to incur significant losses. These losses, among other things, have had and will continue to have an adverse effect on our stockholders' equity and working capital and we cannot assure you that we will be able to be successful in implementing our business strategy. Our failure to successfully identify and complete future acquisitions of assets or businesses could reduce future potential earnings, reduce available cash and slow our anticipated growth. The acquisition of assets or businesses that we believe to be valuable to our business is an important component to our business strategy. We believe that a wide variety of acquisition opportunities may arise from time to time, and that any such acquisition could be significant. At any given time, discussions with one or more potential sellers may be at different stages, including negotiations following the execution of nonbinding letters of intent. However, any such discussions, including the execution of nonbinding letters of intent, may not result in the consummation of an acquisition transaction, and we may not be able to identify or complete any acquisitions. The costs and benefits of future acquisitions are uncertain. In addition, the market and industry reception to our acquisitions, or lack thereof, may not be positive, and is out of our control. We cannot predict the effect, if any, that any announcement or consummation of an acquisition would have on the trading price of our Class A common stock. If we identify appropriate acquisition targets, we may be unable to acquire businesses on terms that we consider acceptable due to a variety of factors, including competition from other strategic buyers or financial buyers, some of which may have more experience or more access to capital than we do. Our business is capital intensive and any such transactions could involve the payment by us of a substantial amount of cash. We may need to raise additional capital through public or private debt or equity financings to execute our growth strategy and to fund acquisitions. Adequate sources of capital may not be available when needed on acceptable terms, or at all. If we raise additional capital by issuing additional equity securities, the position of existing stockholders may be diluted. Acquisitions could also result in us incurring additional debt and contingent liabilities and fluctuations in quarterly results and expenses. If our capital resources are insufficient at any time in the future, we may be unable to fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could harm our business. Any future acquisitions could present a number of risks, including but not limited to the risk of using management time and resources to pursue acquisitions that are not successfully completed, the risk of incorrect assumptions regarding future results of acquired operations, and the risk of diversion of management' s attention from existing operations or other priorities. Future acquisitions can also be expected to generate additional depreciation and amortization charges which may contribute to losses. Acquisitions may never meet our expectations. If we are unsuccessful in identifying and completing acquisitions of other operations or assets, our financial condition could be adversely affected and we may be unable to implement an important component of our business strategy successfully. We may have difficulty integrating the operations of companies or businesses that we may acquire and may incur substantial costs in connection therewith. A significant component of our growth strategy is the acquisition of other operations. The process of integrating the operations of an acquired company may create unforeseen operating difficulties and expenditures. The key areas where we may face risks and uncertainties include:

- disruption of ongoing business, diversion of resources and of management time and focus from operating our business to acquisitions and integration challenges;
- our ability to achieve anticipated benefits of acquisitions by successfully marketing the service offerings of acquired businesses to our existing partners and customers, or by successfully marketing our existing service offerings to customers and partners of acquired businesses;
- the negative impact of acquisitions on our results of operations as a result of large one- time charges, substantial debt or liabilities acquired or incurred, litigation, amortization or write down of amounts related to deferred compensation, goodwill and other intangible assets, adverse tax consequences, substantial depreciation or deferred compensation charges;
- the inability to generate sufficient revenue to offset acquisition costs;
- the need to ensure that we comply with all regulatory requirements in connection with and following the completion of acquisitions;
- the possibility of acquiring unknown or unanticipated contingencies or liabilities;
- retaining employees and clients and otherwise preserving the value of the assets of the businesses we acquire;
- the need to integrate each acquired business' s accounting, information technology, human resource and other administrative systems to permit effective management; and
- the need to implement or remediate appropriate controls, procedures and policies at companies that, prior to

the acquisition, lacked these controls, procedures and policies. In order to achieve the growth we seek, we may acquire numerous smaller market participants, which could require significant attention from management and increase risks, costs and uncertainties associated with integration. The businesses and other assets we acquire in the future may not achieve sufficient revenue or profitability to justify our investment, and any difficulties we may encounter in the integration process could interfere with our operations and reduce operating margins. We may need to make substantial capital and operating expenditures which may negatively impact our results in the near term, and the acquisitions may never meet our expectations. **or convertible securities** in one or more transactions that may include voting rights (including the right to vote as a series on particular matters), preferences as to dividends and liquidation, antidilution, and conversion and redemption rights, subject to applicable law, and at prices and in a manner we determine from time to time. Such issuances and the exercise of any convertible securities will dilute the percentage ownership of our stockholders and may affect the value of our capital stock and could adversely affect the rights of the holders of such stock, thereby reducing the value of such stock. Moreover, any exercise of convertible securities may adversely affect the terms upon which we will be able to obtain additional equity capital, since the holders of such convertible securities can be expected to exercise them at a time when we would, in all likelihood, not be able to obtain any needed capital on terms more favorable to us than those provided in such convertible securities. We may also raise additional capital pursuant to our 2022 Shelf Registration Statement which allows us to sell up to \$ 500,000,000 in equity securities in public or private placements based on our capital needs. In December 2022, we established an "at the market" offering program with Wells Fargo Securities as sales agent which allows us to sell up to \$ 100,000,000 in our Class A common stock (the "ATM Program"). **From January through April** Since the signing of the 2022 **2023** Sales Agreement, we sold **71,887,532,065** shares of **our** Class A common stock **for through the ATM Program, raising** gross proceeds of approximately \$ 205,000 in **December 2022 and 1,532,065** shares of our Class A common stock for gross sale proceeds of approximately \$ 37.5 million during fiscal 2023. We did not sell any shares of our Class A common stock during fiscal 2024. Our 2022 Shelf Registration Statement expires in May 2025 and we intend to replace it with a new shelf registration statement. Our 2022 Incentive Plan allows us to issue up to a total of 1,575,000 shares of Class A common stock (as defined under the Plan). In addition, the maximum number of shares of Class A common stock that may be delivered in satisfaction of awards will automatically increase, on February 1st of each calendar year, for a period ending on (and including) February 1, 2032 (each, an "Evergreen Date") in an amount such that both the total number of shares of stock available and previously issued under the 2022 Incentive Plan shall equal five percent (5 %) or such lesser amount outstanding as may be determined by our Board of Directors on the December 31st immediately preceding the applicable Evergreen Date. **The number of shares of stock will also be adjusted for any stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in our capital structure, plus any shares that are subject to awards that expire or are terminated or cancelled without the delivery of shares** ~~Potential-potential~~ future impairment charges for holdings in Sky Harbour Group Corporation Class A common stock and **other investments and** potential volatility in earnings due to ~~mark-to-market measurement of~~ our investments in **Sky Harbour Group Corporation and** other public securities. The value of the Class A common stock and warrants we hold in Sky Harbour Group Corporation (NYSE: SKYH), which we refer to as Sky Harbour, through our subsidiaries is subject to the volatility of the market price of Sky Harbour's Class A common stock. This volatility subjects our financial statements to volatility. The market price of Sky Harbour's Class A common stock has experienced significant volatility since it commenced trading on January 26, 2022, and that volatility may continue in the future and may also be subject to wide fluctuations in response to many factors, including factors beyond the control of Sky Harbour. These factors include, but are not limited to: ● actual or anticipated fluctuations in Sky Harbour's reported results of operations or financial position, including a significant impairment of goodwill, intangible assets, or other long lived assets; ● recommendations and reports by securities analysts; ● Sky Harbour's ability to timely complete the construction of its various airport hangar developments at originally projected costs and its ability to successfully lease these facilities at profitable rental rates; ● Sky Harbour's ability to continue to access capital and debt on commercially reasonable terms; ● changes in the performance or market valuations of companies in Sky Harbour's industry; ● addition or departure of Sky Harbour's executive officers or other key personnel; ● speculative trading activity by certain investors; ● the impact of inflation and any possible recession on Sky Harbour's operations, revenues, and ability to access financial markets as well as on the private jet hangar industry generally; ● fluctuations in the costs of construction, maintenance, and other materials and services; ● news reports relating to trends, concerns, economic or competitive developments, regulatory changes and other related issues in Sky Harbour's industry or target markets; and ● announcement of developments and material events by Sky Harbour or its competitors. We currently account for our investment in Sky Harbour Class A common stock under the equity method. We have evaluated our investment in Sky Harbour as of December 31, ~~2023~~ **2024**, and determined that there was not an other- than- temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable ~~;~~, (ii) ~~the period of time for which the fair value was less than the carrying value during 2023,~~ (iii) ~~the recovery of Sky Harbour's stock price during the last few months~~ **trading above our carrying value for an extended period** of ~~2023~~ **time**, and (iv) ~~iii~~ our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other- than- temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of \$ ~~7.5~~ **15.80** per share for a sustained period of time, it will likely result in an impairment of our investment. As of December 31, ~~2023~~ **2024**, the closing price of Sky Harbour Class A common stock was \$ ~~9.11~~ **66.93** per share and we ~~held~~ **held** ~~13,121,118,401,474,589~~ shares of Sky Harbour Class A common stock and warrants to purchase 7,719,779 shares of Class A common Stock at a price of \$ 11.50 per share ~~, and the exercise price is subject to adjustment~~. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions. As a result, we could incur a material impairment charge at any time in the future if we deem our investment

to be impaired. Generally accepted accounting principles require us to include the unrealized changes in market prices of investments in public equity securities in our reported earnings. Due to the size of our percentage ownership interest in Sky Harbour's **Class A** common stock, approximately 20% as of December 31, 2023, and our right to elect one of the seven members of Sky Harbour's Board of Directors, our investment is recorded under the equity method using the fair market value of Sky Harbour's Class A common stock as of the date of the business combination and we do not include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. In the future, if **we are deemed to no longer have significant influence** our ownership interest in Sky Harbour's common stock drops below 20%, we may no longer be able to record our investment under the equity method and will be required to include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings on a mark-to-market basis. Such mark to market accounting could result in significant volatility in our earnings based on changes in Sky Harbour's public stock price. Also, while we intend to hold our Sky Harbour Class A common stock for the longer-- long term, we may elect to sell all or a portion of our holdings for a variety of reasons resulting in realized losses or gains. Some members of our executive management team have **sold a small percentage** limited experience in the day-to-day operations of the industries in which our businesses operate. Some members of our executive management team have been involved in the day-to-day operation of companies in the fiber-to-the-home business for only three to four- **our Sky Harbour** years. In addition, we may..... experience substantial dilution. We may sell Class A common stock **in 2024 and 2025 and may elect to sell all or a portion of our holdings for a variety of reasons resulting in realized losses or gains. Similarly**, convertible losses in investments in other securities we currently own or which we may acquire in the future could also materially adversely impact or our other operating results and our stockholders' equity or convertible securities in one or more..... or cancelled without the delivery of shares . Our significant equity ownership in Sky Harbour Group Corporation's Class A common stock and warrants may make it difficult for us to resell a significant portion of our Sky Harbour Group Corporation securities in a short period of time. In 2020, we acted as the sponsor for the initial public offering of Yellowstone, a special purpose acquisition company ("SPAC"). **We As sponsor, we** purchased **approximately 3,300,000 shares of** Yellowstone Class B common stock **at a cost of \$ 25,000** and private placement warrants at a cost of approximately \$ 7.8 million. **On Between** August 1, 2021 **and January**, Yellowstone entered into **2022, we invested** an equity **additional \$ 100 million in** purchase **purchasing** agreement with **additional securities of Sky Harbour. The first financing in August 2021, in which we acquired 5,500,000 units of** Sky Harbour LLC by which **Class B Preferred Units allowed** Sky Harbour LLC unitholders would acquire a majority interest in the combined businesses following the completion of a business combination. As part of the equity purchase agreement, and immediately prior to **consummate** the completion by Sky Harbour LLC of a private activity bond financing raising \$ 160 million in proceeds in September 2021 . **Also, upon the closing of the Sky Harbour business combination in January 2022**, we purchased **an additional 4,500,000 shares of Class A common stock. Upon the closing of the Sky Harbour business combination, our** Class B Preferred Units in Sky Harbour LLC for a purchase price of \$ 55 million, which Class B Preferred Units converted to 5,500,000 shares of Sky Harbour Class A common stock upon the closing of the Sky Harbour business combination on January 25, 2022. Also, upon the closing of the Sky Harbour business combination in January 2022, we purchased an **and** additional 4,500,000 shares of Class A common stock for a purchase price of \$ 45 million. Upon the closing of the Sky Harbour business combination, our Class B common stock converted to Class A common stock of Sky Harbour and our private placement warrants are now exercisable to purchase 7,719,779 shares of Class A common stock of Sky Harbour. Each Sky Warrant is exercisable for one share of Class A common stock at a price of \$ 11.50 per share, subject to adjustment, with each Sky Warrant being exercisable and non-redeemable. Subsequent to the closing of the Sky Harbour business combination, we distributed 75,000 shares of Sky Class A common stock to the outside directors of Yellowstone and 206,250 shares of Sky Class A common stock to an investor in the Yellowstone IPO. **To date** As of March 22, 2024, we owned 13,118,474 **have invested a total of \$ 107.8 million in Sky Harbour. All the** shares of Sky Harbour Class A common stock **and** . **To date**, we have invested a total of \$ 107.8 million in Sky Harbour . **All Warrants to purchase Class A common stock that we hold have been registered under** the Securities Act. **In 2024 and early 2025, we have sold in the open market or otherwise transferred a total of 907,577 shares of Sky Harbour Class A stock. Due to the current trading volume** of Sky Harbour Class A common stock , **we anticipate** and Sky Harbour Warrants to purchase Class A common stock that **it would be difficult** we hold have been registered under the Securities Act. However, due to the current trading volume **sell any significant amount** of **our** Sky Harbour Class A common stock , **we anticipate that it would be difficult to sell any significant amount and Warrants at the present time and for the foreseeable future. As of** March 27, 2025, we and our UCS subsidiary **collectively owned 12,210,897 shares of** Sky Harbour Class A common stock and **7,719,799 Warrants warrants** at the present time and for the foreseeable future. In addition, Alex Rozek, our Co-Chair, serves on the Board of Directors of Sky Harbour and, as a result, our ability to **purchase** sell shares of Sky Harbour will be limited for such period of time as Mr. Rozek is subject to black-out period prohibitions on trading or otherwise possesses material non-public information regarding Sky Harbour. Our investments in publicly traded securities involve a substantial degree of risk. In addition to our investments in privately-held companies and our investment in the Sky Harbour Class A common stock and . **Our investments in Sky Harbour Group Corporation's Class A common stock and Sky Warrants and other publicly traded securities involve a substantial degree of risk. In addition to our investments in privately-held companies and our investment in the Sky Harbour Class A common stock and Sky** Warrants, we may purchase publicly traded common stock and other equity securities, including warrants and corporate bonds. Although equity securities have historically generated higher average total returns than fixed-income securities over the long term, equity securities have also generally experienced significantly more volatility in those returns. The publicly traded securities we acquire may fail to appreciate and may decline in value or become worthless. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred

securities and corporate bonds involve special risks, such as the risk of deferred distributions, credit risk, illiquidity, changes in value based upon interest rates changes and other macroeconomic factors, and limited voting rights. ~~Any decrease in the value of Sky Harbour Class A common stock and Sky Warrants before we can liquidate our holdings in Sky Harbour could materially adversely impact our operating results and our stockholders' equity.~~ Under generally accepted accounting principles, we may be required to reflect the value of our securities in publicly- traded companies at their current market value as of the end of each fiscal quarter. As a result, this mark- to- market accounting can change values for these types of securities on our balance sheet as market conditions change. Mark- to- market accounting can become volatile if market prices fluctuate greatly and changes in the fair value of investments could significantly impact our reported results. We run the risk of inadvertently being deemed an investment company required to register under the Investment Company Act of 1940. We run the risk of inadvertently being deemed an investment company required to register under the Investment Company Act of 1940 (the "Investment Company Act") because a significant portion of our assets consists of investments in companies in which we own less than a majority interest. Although we do not currently hold investments at a value that would cause us to register under the Investment Company act, we could become subject to registration due to events beyond our control, such as significant appreciation or depreciation in the market value of certain of our publicly traded holdings, such as our interest in Sky Harbour, and adverse developments with respect to our ownership of certain of our subsidiaries, transactions involving the sale of certain assets and our participation in any partnership or other fund established to finance future broadband and real estate projects in which we may engage. If we are deemed to be an inadvertent investment company, we may seek to rely on a safe- harbor under the Investment Company Act that would provide us a one- year grace period to take steps to avoid being deemed to be an investment company. In order to ensure we avoid being deemed an investment company, we have taken, and may need to continue to take, steps to reduce the percentage of our assets that constitute investment assets under the Investment Company Act. These steps have included, among others, selling marketable securities that we might otherwise have held for the long- term and deploying our cash in non- investment assets. We have recently sold marketable securities, including at times at a loss, and we may be forced to sell our investment assets at unattractive prices or to sell assets that we otherwise believe benefit our business in the future to remain below the requisite threshold. We may also seek to acquire additional non- investment assets to maintain compliance with the Investment Company Act, and we may need to incur debt, issue additional equity or enter into other financing arrangements that are not otherwise attractive to our business. Any of these actions could have a material adverse effect on our results of operations and financial condition. Moreover, we can make no assurance that we would successfully be able to take the necessary steps to avoid being deemed to be an investment company in accordance with the safe- harbor. If we were unsuccessful, then we would have to register as an investment company, and we would be unable to operate our business in its current form. We would be subject to extensive, restrictive, and potentially adverse statutory provisions and regulations relating to, among other things, operating methods, management, capital structure, indebtedness, dividends, and transactions with affiliates. If we were deemed to be an investment company and did not register as an investment company when required to do so, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, that we would be unable to enforce contracts with third parties, and / or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which we were an unregistered investment company. The existing and future indebtedness incurred by our billboard **and broadband business businesses** may adversely affect our ability to obtain additional funds and may increase our vulnerability to economic or business downturns. Failure to comply with the terms of **this the** indebtedness could result in a default by our billboard **or broadband** business that could have material adverse consequences for us. Link ~~, which operates our billboard businesses,~~ entered into a credit agreement in August 2019 with a commercial bank which provides Link and its subsidiaries the opportunity to borrow through a combination of long- term debt and a line of credit. Link' s current borrowings under the bank credit facility as of December 31, ~~2023~~ **2024** totaled ~~\$ 2736,337,123,766-138~~, **all of which represents a term loan \$ 9,600,000 is related to its revolving line of credit**. **The revolving line of credit is due in 2026 and the** remaining balance of **this the** term loan becomes due and payable in 2028. **In September 2024, three operating subsidiaries of BOB entered into a credit agreement with the same commercial bank under which certain subsidiaries of BOB can borrow up to \$ 20,000,000 in the aggregate in term loans. BOB' s current borrowings under the bank credit facility as of December 31, 2024 totaled \$ 3,441,666 and we borrowed an additional \$ 3,500,000 under this credit facility in January 2025.** In addition, Link **and BOB** may incur additional indebtedness in the future. Accordingly, Link ~~is~~ **and BOB are** subject to the risks associated with significant indebtedness, including: • Link **and BOB** must dedicate a portion of ~~its their~~ cash flows from operations to pay principal and interest and, as a result, it may have less funds available for operations and other purposes; • Link **and BOB** may find it more difficult and expensive to obtain additional funds through financings, if available at all; • ~~Link is more vulnerable to economic downturns, less able to withstand competitive pressures and less flexible in reacting to changes in the billboard industry and general economic conditions;~~ • if Link **or BOB** defaults under ~~the their~~ credit facility **facilities**, including failing to pay the outstanding principal when due, and if the lender demands payment of a portion or all the indebtedness, ~~it they~~ may not have sufficient funds to make such payments; • if Link ~~is~~ **or BOB are** unable to refinance indebtedness ~~on its properties~~ due to business and market factors, including disruptions in the capital and credit markets, lenders deem the estimated cash flows ~~or values of Link' s properties and other~~ assets to be insufficient, and other adverse financial, competitive, business and other factors, including factors beyond Link **' s and BOB** ' s control; • if refinanced, the terms of a refinancing may not be as favorable as the original terms of the related indebtedness; and • ~~if BOB' s debt and Link ' s borrows any sums under the line of credit are~~, ~~the interest rate it pays on such debt will be~~ subject to changes in interest rates. The occurrence of any of these events could materially adversely affect Link **or BOB**, which would adversely affect our results of operations and financial condition and adversely affect our stock price. Furthermore, a failure to comply with the obligations contained in the loan agreements governing Link **' s indebtedness and BOB** ' s indebtedness could result in an event of default under such agreements which could result in an acceleration of

debt under other instruments evidencing indebtedness that contains cross- acceleration or cross- default provisions. If Link' s indebtedness **or BOB' s indebtedness** were to be accelerated, there can be no assurance that **its their** future cash flow or assets would be sufficient to repay in full such indebtedness. We may in the future rely in part on Link **and BOB** to provide us with the funds necessary to make distributions to us to meet our financial obligations. The leverage on Link' s assets **and BOB' s assets** may affect the funds available to us if the terms of the debt ~~impose restrictions~~ **restrict on** the ability of Link **and BOB** to make distributions to us. In addition, Link **and BOB** will generally have to service **its their** debt obligations before making distributions to us or any of our other subsidiaries and any such distributions may require the consent of the lender. Leverage may also result in a requirement for liquidity, which may force the sale of assets at times of low demand and / or prices for such assets. We may also incur indebtedness under future credit facilities. If we are unable to refinance our indebtedness on acceptable terms, or at all, we may need to dispose of one or more of our properties or other assets under disadvantageous terms. In addition, prevailing interest rates or other factors at the time of refinancing could increase our interest expense, and if we grant a security interest in any of our properties, or the properties of our subsidiaries to secure payment of indebtedness and are unable to make loan payments, the lender could foreclose upon such property. Restrictive covenants in Link' s indebtedness **and BOB' s indebtedness** may limit management' s discretion with respect to certain business matters. Instruments governing Link' s indebtedness **and BOB' s indebtedness and BOB' s indebtedness** contain restrictive covenants limiting Link' s **and BOB' s** discretion with respect to certain business matters. These covenants could place significant restrictions on, among other things, **their Link' s** ability to create liens or other encumbrances, to make distributions to us or make certain other payments, investments, loans and guarantees, and to sell or otherwise dispose of assets and merge or consolidate with another entity. Covenants also require Link **and BOB** to meet certain financial ratios and financial condition tests. A failure to comply with any such covenants could result in a default which, if not cured or waived, could permit acceleration of the relevant indebtedness. If we are unable to manage our interest rate risk effectively, our cash flows and operating results may suffer. Advances under Link' s \$ **10-15** million revolving line of credit **and BOB' s credit facility** bear interest at a variable rate ~~Although we have not currently borrowed any sums under this line of credit, and this line of credit is currently set to expire in August 2025, we may incur indebtedness under this line of credit in the future.~~ Also, we may be required to refinance our debt at higher rates. Accordingly, increases in interest rates above that which we anticipate based upon historical trends would adversely affect our cash flows and we may not be able to hedge such exposure effectively, if at all. We may raise additional capital pursuant to debt financing, and such debt financing arrangements may contain covenants, which, if not complied with, could have a material adverse effect on our financial condition. Other than the bank borrowings to Link **and BOB**, to date we have not had a significant debt financing. However, as our operations grow and we achieve certain levels of revenue and cash flows, we may consider utilizing debt to finance additional acquisitions and our operations. Subject to market conditions and availability, we, or our subsidiaries, may incur significant debt through credit facilities (including term loans and / or revolving facilities), structured financing arrangements, public and private debt issuances or otherwise. Future debt financing arrangements may contain various covenants, including restrictive covenants, which, if not complied with, could have a material adverse effect on our ability to meet our debt obligations and our overall financial condition. Additionally, **future** debt financing arrangements may be at the subsidiary level, but could include a guaranty by us, and could require a pledge of all or substantially all of our, and / or our subsidiaries' assets. The amount of leverage we use will vary depending on our available acquisition **and** investment opportunities, our available capital, our ability to obtain and access financing arrangements with lenders, and the lenders' and our estimates of the stability of our operating cash flows. Our governing documents contain no limit on the amount of debt we may incur, and we may significantly increase the amount of leverage we utilize at any time without approval of our shareholders. The amount of leverage on individual assets may vary, with leverage on some assets substantially higher than others, including at the subsidiary level. Leverage can enhance our potential returns but can also exacerbate our losses. Incurring additional substantial debt could subject us to many risks that, if realized, would materially and adversely affect us, including the risk that: ● our cash flow from operations may be insufficient to make required payments of principal and interest on the debt or we may fail to comply with covenants contained in our debt instruments, which would likely result in (a) acceleration of such debt (and any other debt arrangements containing a cross default or cross acceleration provision) that we may be unable to repay from internal funds, unable to refinance on favorable terms, or unable to repay at all, (b) our inability to borrow additional amounts under other facilities, even if we are current in payments on borrowings under those arrangements and / or (c) the loss of some or all of our assets to foreclosures or forced sales; ● our debt may increase our vulnerability to adverse economic, market and industry conditions; ● we may be required to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities, distributions to our shareholders or other purposes; and ● we may not be able to refinance maturing debts. We cannot be sure that our leverage strategies will be successful. We may be unable to access capital. Our access to capital depends on a number of factors, some of which we have little or no control over, including: ● general economic, market or industry conditions; ● the market' s view of the quality of our assets; ● the market' s perception of our growth potential; ● our current and potential future earnings and distributions to our shareholders; and ● the value of our securities. We may have to rely on additional equity issuances, which may be dilutive to our shareholders, or on costly debt financings that require a large portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities, distributions to our shareholders or other purposes. We cannot be sure that we will have access to such equity or debt capital on favorable terms at the desired times, or at all, which could negatively affect our financial condition and results of operations. We face intense competition, including competition from companies with significantly greater resources than us, and if we are unable to compete effectively with these companies, our market share may decline and our business could be harmed. Outdoor Billboard Advertising. The outdoor billboard industry is highly competitive. There is a concentration in the ownership of billboards in the geographic markets in which we compete and significantly larger companies, such as Clear Channel Outdoor, Outfront Media, and Lamar Advertising Company, own the

majority of the out-of-home advertising billboards. Such competition may make it difficult to maintain or increase our current advertising revenues. In addition to competing for advertising revenue with other outdoor advertising businesses, the outdoor advertising market faces competition from other media, including radio, internet based services, print media, television, direct mail, satellite services, and other mobile devices. Our competitors may develop technology, services, or advertising media that are equal or superior to those we provide or that achieve greater market acceptance and brand recognition than we achieve. Also, new competitors may emerge and rapidly acquire significant market share in any of our business segments. Additionally, increased competition for advertising dollars may lead to lower advertising rates if we are to retain customers or may cause us to lose customers to our competitors who offer lower rates that we are unable or unwilling to match. Surety Insurance. Our insurance business operates in an environment that is highly competitive and very fragmented. We will likely compete with other global insurance and reinsurance providers, including but not limited to Travelers, Liberty Mutual, Zurich Insurance Group, Lloyds, and CNA Insurance Group, as well as numerous specialist, regional and local firms in almost every area of our surety business. Further, new competitors may regularly enter the market. In addition to UCS, we also operate ~~several a~~ **nationwide** surety insurance brokerage ~~firms-~~ **firm**, and the surety insurance brokerage industry has relatively low barriers to entry. We may experience significant competition and our competitors may have greater financial, marketing and human resources than us. Broadband Services. Our broadband services compete with other technologies, including traditional cable services as well as satellite services. These markets are highly competitive, and many traditional providers of cable and wireless services have greater financial, marketing, and human resources than us and may be able to offer additional products and services to our customers. In addition, new technologies may be developed which would provide an alternative to our fiber-to-the-home services we currently provide. As we seek to expand our broadband services, we may face incumbent service providers which would be able to retain a significant customer base in the communities in which we may seek to enter, making it difficult to achieve a share of the market needed to provide our services profitably. Any additional industries or markets that we may enter, whether through future acquisitions or development of a new business line, ~~such as our potential entry into the build for rent business,~~ will also likely be occupied by established competitors. Many of our current competitors have substantially greater financial, marketing, product development, and human resources than we do. Accordingly, even if there is a large market for our products and services in the industries in which we compete, there can be no assurance that our products and services will be purchased by consumers at a rate sufficient for us to achieve our growth objectives. Our management recognizes that we will, therefore, be forced to compete primarily on the basis of price, location, performance, service, and other factors. Our management believes that our ability to achieve sustained profitability will depend primarily on our ability to consummate acquisitions of assets and businesses in competitive markets, skillfully allocate capital **and manage our businesses**, and establish competitive advantages in each of our businesses. This approach requires that our management perform at a high level and is fraught with risks, many of which are beyond our control or ability to foresee. Adverse economic conditions could negatively affect our results of operations and financial condition. Our results of operations are sensitive to changes in overall economic conditions that impact consumer and commercial spending, including discretionary spending and the financial impact to consumers and businesses from inflation. Future economic conditions such as employment levels, business conditions, interest rates and tax rates could reduce our revenues. A general reduction in the level of business activity could adversely affect our financial condition and / or results of operations. **Future changes** For example, in **government regulation and funding** particular, adverse economic conditions, either regionally or nationally, may result in reduced advertising expenditures that could **also directly or indirectly** adversely affect **impact** our **businesses** billboard segment of operations. Adverse economic conditions may result in fewer surety transactions and adversely affect our insurance segment of operations. Adverse economic conditions may also affect our investments in homebuilding, auto lending, and commercial real estate management and services. A continued deterioration in general economic conditions may harm our business, results of operations, cash flows, and financial position. General global and domestic economic conditions directly affect the levels of demand and production of consumer goods, levels of employment, the availability and cost of credit, and ultimately, the demand for our billboard, surety insurance, and broadband products and services and the profitability of our business. The U. S. economy has experienced persistent inflation, and we have experienced, and continue to experience, cost inflation across our business lines. Inflation has resulted in, and may continue to result in, higher costs, which we may not be able to recover through higher prices charged to our customers or otherwise. Interest rates have increased, which may result in lower consumer demand and higher borrowing costs, and may cause general economic conditions to deteriorate **and could impact our cost of borrowing. Also, reduced government spending could impact our operating businesses and result in the loss of programs which may benefit our businesses, such as programs to encourage development of broadband services in underserved areas. Decreases in the value of equity securities our UCS subsidiary owns could require us to provide additional capital to UCS to maintain its level of business under regulatory requirements. Increases in tariffs could adversely impact the costs of materials and our ability to obtain such materials.** If global economic conditions continue to deteriorate, economies could experience a recession, which may result in higher unemployment rates, lower disposable income, lower **consumer spending, and lower** Company earnings and investment ~~and lower consumer spending~~. These factors may result in continued lower demand for our products and services and negatively affect our business, results of operations, and cash flows. Climate change, severe weather, natural disasters, public health emergencies and other external events could significantly impact our business. Severe weather events cannot be predicted and may be exacerbated by global climate change, natural disasters, including hurricanes, flooding and earthquakes, acts of terrorism and other adverse external events. There is continuing uncertainty over what impact these events could have on our surety insurance bond business if claims are made against these bonds due to our customers' inability to meet their contractual obligations due to delays caused by any serious health or other natural disaster. Significant storm damage may impact our transmission capabilities for our broadband services and significant damage could result in a loss of service for an extended period of time. Severe weather and natural disasters could affect travel and transportation which could

impact the manner of advertising consumption, and severe weather and natural disasters could impact the structural integrity of our billboards. Similarly, a public health emergency, such as the COVID-19 pandemic, could have an adverse effect on customer demand and our ability to meet such demand. The occurrence of any such event could have a material adverse effect on our business, financial condition and results of operations. The insurance we maintain against disasters may not be adequate to cover our losses in any particular case, which could require us to expend significant resources to replace any destroyed assets and materially and adversely affect our financial condition, results of operations and business prospects. We may be unable to employ a sufficient number of key employees and other experienced or qualified workers. The delivery of our services and products requires sales, **operations, financial, and underwriting** professionals and other personnel with substantial work experience in our lines of business. Workers may choose to pursue employment with our competitors or in fields that offer a more desirable work environment. Our ability to be productive and profitable will depend upon our ability to employ and retain workers with certain backgrounds and experience, such as experienced sales professionals **and**, workers with substantial experience **with-in** insurance underwriting **and**, risk and financial analysis, **and individuals with broadband operations experience**. In addition, our ability to further expand our operations according to geographic demand for our services depends in part on our ability to relocate or increase the size of our qualified and experienced labor force. The demand for experienced workers in our areas of operations can be high, the supply may be limited and we may be unable to relocate our employees from areas of lower utilization to areas of higher demand. A significant increase in the wages paid by competing employers could result in a reduction of our workers with required experience, increases in the wage rates that we must pay, or both. Further, a significant decrease in the wages paid by us or our competitors as a result of reduced industry demand could result in a reduction of the available pool of qualified and experienced individuals, and there is no assurance that the availability of such qualified and experienced labor will improve following a subsequent increase in demand for our services or an increase in wage rates. If any of these events were to occur, our capacity and profitability could be diminished and our growth potential could be impaired. We are heavily reliant upon our executive management team. We depend heavily on the efforts and services of our executive officers and other members of our management team to manage our operations, including our ~~Co-Chief Executive Officers-~~ **Officer** and our Chief Financial Officer **and the senior management of our operating subsidiaries**. The unexpected loss or unavailability of key members of management may have a material adverse effect on our business, financial condition, results of operations, or prospects. Although our ~~Co-Chief Executive Officers-~~ **Officer** devote **devotes** most of ~~their~~ **his** business time to us and ~~are~~ **is** highly active in our management, ~~they~~ **he** expend **expends** part of ~~their~~ **his** time on other business ventures. Among other commitments, our ~~Co-Chief Executive Officers-~~ **Officer** are ~~each~~ **is a** managing members-**member** of separate investment management entities and ~~are~~ **is** not obligated to devote any specific number of hours to our affairs. ~~This~~ **These two** key employees-**employee** may not be able to dedicate adequate time to our businesses and operations, and we could experience an adverse effect on our operations due to the demands placed on our management team by ~~their~~ **his** other professional obligations. ~~In addition, these key employees' other responsibilities could cause conflicts of interest with us.~~ Our executive officers and directors may experience a conflict of interest between their duties to us and to affiliated parties. Our ~~Co-Chief Executive Officers-~~ **Officer**, Adam K. Peterson and Alex B. Rozek, are ~~each~~ **is a** managing members-**member** of separate investment management entities that collectively own ~~19.18~~ **5.1** % of our Class A common stock and all of our Class B common stock. While we have deemed that the outside business endeavors of our management team do not currently constitute a conflict of interest, it is possible that a conflict of interest could arise between the performance of our executive management team and their roles as managing members of entities which together own a majority of our outstanding capital stock. These conflicts may not be resolved in our favor. Such conflicts of interest could have a material adverse effect on our business and operations. Further, the appearance of conflicts of interest created by related party transactions could impair the confidence of our investors. We have the authority to engage various contracting parties, which may be affiliates of ours or of our directors. As such, our directors may have a conflict of interest between their fiduciary duties to manage the business for our benefit and that of our stockholders and their direct and indirect affiliates' interests in establishing and maintaining relationships with us and in obtaining compensation for services rendered to us. With respect to such affiliates, there may be an absence of arms' length negotiations with respect to the terms, conditions and consideration with respect to goods and services provided to or by us. Brendan J. Keating, ~~who is one of our directors,~~ is also the Manager of ~~both~~ **Logic and**, 24th Street and **Local Asset Management**, along with **LLC**. Adam K. Peterson and Alex B. Rozek, ~~one of the three managing directors of BOAM.~~ In addition, Alex B. Rozek is a director of Sky Harbour. Adam K. Peterson, Brendan J. Keating and Jeffrey C. Royal **(where Mr. Royal has recently been appointed as Chief Executive Officer)** all serve as members of the board of directors of **Old Market Capital Corporation** Nicholas Financial, Inc. and Adam K. Peterson ~~is a~~ **and David Graff serve as member** ~~members~~ of the board of directors of Nelnet, Inc. Disruptions to our information technology systems and any cybersecurity breaches could disrupt our business operations and have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows. The operation of our business depends on our information technology systems. We rely on our information technology systems to effectively manage, among other things, our business data, communications, supply chain, inventory management, customer order entry and order fulfillment, processing transactions, summarizing and reporting results of operations, human resources benefits and payroll management, compliance with regulatory, legal and tax requirements, and other processes and data necessary to manage our business. Disruptions to our information technology systems, including any disruptions to our current systems and / or as a result of transitioning to additional or replacement information technology systems, as the case may be, could disrupt our business and could result in, among other things, transaction errors, processing inefficiencies, loss of data and the loss of sales and customers, which could have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows. In addition, our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including, without limitation, fire, natural disasters, power outages, systems disruptions, system conversions, security breaches, cyberattacks, phishing attacks, viruses and

/ or human error. In any such event, we could be required to make a significant investment to fix or replace our information technology systems, and we could experience interruptions in our ability to service our customers. These risks have been and may continue to be exacerbated as a result of remote working ~~in response to the COVID-19 pandemic~~. Any such damage or interruption could have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows. In addition, as part of our normal business activities, we collect and store certain confidential information, including personal information with respect to customers, consumers and employees, and the success of our operations depends on the secure transmission of confidential and personal data over public networks, including the use of cashless payments. We may share some of this information with vendors who assist us with certain aspects of our business. Any failure on our part or our vendors to maintain the security of this confidential data and personal information, including via the penetration of our network security (or those of our vendors) and the misappropriation of confidential and personal information, could result in business disruption, damage to our reputation, financial obligations to third parties, fines, penalties, regulatory proceedings and private litigation, any or all of which could result in our incurring potentially substantial costs. Such events could also result in the deterioration of confidence in us by employees, consumers, and customers and cause other competitive disadvantages. In addition, a security or data privacy breach could require us to expend significant additional resources to enhance our information security systems and could result in a disruption to our operations. Furthermore, third parties, such as our suppliers and retail consumers, may also rely on information technology and be subject to such cybersecurity breaches. These breaches may negatively impact their businesses, which could in turn disrupt our supply chain and / or our business operations. Due to the potential significant costs, business disruption and reputational damage that typically accompany a cyberattack or cybersecurity breach, any such event could have a material adverse effect on our business, prospects, results of operations, financial condition and / or cash flows. Our information technology systems, or those of our third- party service providers, may be accessed by unauthorized users such as cyber criminals as a result of a disruption, cyberattack or other security breach. Cyberattacks and other cybersecurity incidents are occurring more frequently, are constantly evolving in nature, are becoming more sophisticated and are being made by groups and individuals with a wide range of expertise and motives. Such cyberattacks and cyber incidents can take many forms, including cyber extortion, social engineering, password theft or introduction of viruses or malware, such as ransomware through phishing emails. As techniques used by cyber criminals change frequently, a disruption, cyberattack or other security breach of our information technology systems or infrastructure, or those of our third- party service providers, may go undetected for an extended period and could result in the theft, transfer, unauthorized access to, disclosure, modification, misuse, loss or destruction of our, employee, representative, customer, vendor, consumer and / or other third- party data, including sensitive or confidential data and personal information. We cannot guarantee that our security efforts will prevent breaches or breakdowns of our or our third- party service providers' information technology systems. Changes in laws and regulations governing data privacy and data protection could have a material adverse impact on our business. We are subject to data privacy laws and regulations that apply to the collection, transmission, storage and use of personally identifiable information, as well as numerous other countries', federal and state privacy and breach notification laws. While we continue to assess and address the implications of existing and new regulations relating to data privacy, the evolving regulatory landscape presents a number of legal and operational challenges, and our efforts to comply may be unsuccessful. We may also face audits or investigations by one or more government agencies relating to our compliance with these regulations that could result in the imposition of penalties or fines, significant expenses in facilitating and responding to the investigations, and overall reputational harm or negative publicity. The costs of compliance with, and other burdens imposed by, such laws, regulations and policies that are applicable to us could have a material adverse effect on our business, financial condition and results of operations.

Governmental regulations could adversely affect our business, financial condition, results of operations and prospects. Outdoor Billboard Advertising. Our billboard businesses are regulated by governmental authorities in the jurisdictions in which we operate. These regulations could limit our growth by putting constraints on the number, location and timing of billboards we wish to erect. New regulations and changes to existing regulations may also curtail our ability to expand our billboard business and adversely affect us by reducing our revenues or increasing our operating expenses. For example, settlements between major tobacco companies and all U. S. states and certain U. S. territories include a ban on the outdoor advertising **of certain types** of tobacco products. Alcohol products and other products may be future targets of advertising bans, and legislation, litigation or out- of- court settlements may result in the implementation of additional advertising restrictions that impact our business. Any significant reduction in alcohol- related advertising or the advertising of other products due to content- related restrictions could negatively impact our revenues generated from such businesses and cause an increase in the existing inventory of available outdoor billboard space throughout the industry. Surety Insurance. We are subject to maintaining compliance within the highly regulated insurance industry as we continue our pursuit of opportunities in that market, including the maintenance of certain levels of operating capital and reserves. Generally, the extensive regulations are designed to benefit or protect policyholders, rather than our investors, or to reduce systemic financial risk. Failure to comply with these regulations could lead to disciplinary action, the imposition of penalties and the revocation of our authorization to operate in the insurance industry. Changes to the regulatory environment in the insurance industry may cause us to adjust our views or practices regarding regulatory risk management and necessitate changes to our operations that may limit our growth or have an adverse impact on our business.

Broadband Services. The building and delivery of our broadband services is subject to regulation by both the FCC and county and local governments. Failure to comply with these regulations could lead to the imposition of fines and ultimately the revocation of our authorization to provide these services. As technology changes continue in this market, new regulations may impose additional regulatory burdens and costs that could have an adverse impact on our business. Any future legislative, judicial, regulatory or administrative actions may increase our costs or impose additional restrictions on our businesses, some of which may be significant. We are unable to predict the outcome or effects of any of these potential actions or any other legislative or regulatory proposals on our businesses. In addition, certain of the other new markets and industries that we may

choose to enter may be regulated by a variety of federal, state and local agencies. Similarly, our investments in other companies, including the home building and consumer auto lending markets, are highly regulated by federal and other governmental agencies. Our surety insurance business is subject to extensive insurance regulation, which may adversely affect our ability to achieve our business objectives. In addition, if we fail to comply with these regulations, we may be subject to penalties, including fines and suspensions, which may adversely affect our financial condition and results of operations. Our insurance subsidiary, UCS, is subject to extensive regulation in Nebraska, its state of domicile, and to a lesser degree, the other states in which it operates. Most insurance regulations are designed to protect the interests of insurance policyholders, as opposed to the interests of investors or stockholders. These regulations generally are administered by a department of insurance in each state and relate to, among other things, authorizations to write excess and surplus lines of business, capital and surplus requirements, investment and underwriting limitations, affiliate transactions, dividend limitations, changes in control, solvency and a variety of other financial and non- financial aspects of our business. Significant changes in these laws and regulations could further limit our discretion or make it more expensive to conduct our business. State insurance regulators also conduct periodic examinations of the affairs of insurance companies and require the filing of annual and other reports relating to financial condition, holding company issues and other matters. These regulatory requirements may impose timing and expense constraints that could adversely affect our ability to achieve some or all of our business objectives. In addition, state insurance regulators have broad discretion to deny or revoke licenses for various reasons, including the violation of regulations. In some instances, where there is uncertainty as to applicability, we follow practices based on our interpretations of regulations or practices that we believe generally to be followed by the industry. These practices may turn out to be different from the interpretations of regulatory authorities. If we do not have the requisite licenses and approvals or do not comply with applicable regulatory requirements, state insurance regulators could preclude or temporarily suspend us from carrying on some or all of our activities or could otherwise penalize us. This could adversely affect our ability to operate our business. Further, changes in the level of regulation of the insurance industry or changes in laws or regulations themselves or interpretations by regulatory authorities could interfere with our operations and require us to bear additional costs of compliance, which could adversely affect our ability to operate our business. The NAIC has adopted a system to test the adequacy of capital of insurance companies, known as “ risk- based capital. ” The risk- based capital formula establishes the minimum amount of capital necessary for a company to support its overall business operations. It identifies property and casualty insurers that may be inadequately capitalized by looking at three major areas: 1) Asset Risk; 2) Underwriting Risk; and 3) Other Risk. Insurers falling below a calculated threshold may be subject to varying degrees of regulatory action, including supervision, rehabilitation, or liquidation. Failure to maintain our risk- based capital at the required levels could adversely affect the ability of our insurance subsidiary to maintain regulatory authority to conduct our business. Also, failure to maintain our U. S. Treasury Department listing or our A. M. Best A – (“ Excellent ”) rating would significantly impact our ability to operate effectively in the surety markets. Because we are a holding company ~~and a significant portion of our operations are conducted by our UCS insurance subsidiary, our ability to pay dividends may depend on our ability to obtain cash dividends or other permitted payments from our insurance subsidiary. Because we are a holding company~~ with no business operations of our own, our ability to pay dividends to stockholders will likely depend in significant part on dividends and other distributions from our subsidiaries, including our insurance subsidiary, UCS. State insurance laws, including the laws of Nebraska, restrict the ability of UCS to declare stockholder dividends and bond rating agencies may also limit our ability to declare dividends if they were to seek to lower our bond rating due to lack of capital. State insurance regulators require insurance companies to maintain specified levels of statutory capital and surplus. Consequently, dividend distribution is limited by Nebraska law. State insurance regulators have broad powers to prevent the reduction of statutory surplus to inadequate levels, and there is no assurance that dividends up to the maximum amounts calculated under any applicable formula would be permitted. Moreover, state insurance regulators that have jurisdiction over the payment of dividends by our insurance subsidiary may in the future adopt statutory provisions more restrictive than those currently in effect. UCS may only declare and pay dividends to us after all of UCS’ s obligations and regulatory requirements with the Nebraska Department of Insurance have been satisfied. The declaration and payment of future dividends to holders of our Class A common stock will be at the discretion of our Board of Directors and will depend on many factors. We may be unable to obtain reinsurance coverage at reasonable prices or on terms that adequately protect us. We use reinsurance to help manage our exposure to insurance risks. Reinsurance is a practice whereby one insurer, called the reinsurer, agrees to indemnify another insurer, called the ceding insurer, for all or part of the potential liability arising from one or more insurance policies issued by the ceding insurer. The availability and cost of reinsurance is subject to prevailing market conditions, both in terms of price and available capacity, which can affect our business volume and profitability. In addition, reinsurance programs are generally subject to renewal on an annual basis. We may not be able to obtain reinsurance in acceptable amounts and / or on acceptable terms from entities with satisfactory creditworthiness. If we are unable to obtain new reinsurance facilities or renew expiring facilities, our net exposures would increase and we may not be able to maintain certain customer accounts. In such event, if we are unwilling to bear an increase in our net exposure, we would have to reduce the level of our underwriting commitments, which would reduce our revenues. Many reinsurance companies have begun to exclude certain coverages from, or alter terms in, the reinsurance contracts. For example, many reinsurance policies now exclude coverage of terrorism. As a result, we, like other direct insurance companies, write insurance policies which to some extent do not have the benefit of reinsurance protection. These gaps in reinsurance protection expose us to greater risk and greater potential losses. **In addition, the cost for reinsurance has risen significantly over the past several years and future increases in the cost of reinsurance and any increases in the retention amount of such policies could impact the operating results of our surety insurance business.** Our insurance employees could take excessive risks, which could negatively affect our financial condition and business. As a business which anticipates it will derive a significant portion of its business from the sale of surety and other insurance products, we are in the business of binding certain risks. The employees who conduct our business, including executive officers and other

members of management, underwriters, product managers and other employees, do so in part by making decisions and choices that involve exposing us to risk. These include decisions such as setting underwriting guidelines and standards, product design and pricing, determining which business opportunities to pursue and other decisions. We endeavor, in the design and implementation of our compensation programs and practices, to avoid giving our employees incentives to take excessive risks. However, employees may take such risks regardless of the structure of our compensation programs and practices. Similarly, although we employ controls and procedures designed to monitor employees' business decisions and prevent them from taking excessive risks, these controls and procedures may not be effective. If our employees take excessive risks, the impact of those risks could have a material adverse effect on our financial condition and business operations. If actual insurance claims exceed our claims and claim adjustment expense reserves, or if changes in the estimated level of claims and claim adjustment expense reserves are necessary, our financial results could be materially and adversely affected. As we grow our insurance operations, we will continue to establish loss and loss adjustment expense reserves. These reserves will not represent an exact calculation of liability, but instead will represent management's estimates of what the ultimate settlement and administration of claims will cost, generally utilizing actuarial expertise and projection techniques, at a given accounting date. ~~In particular, prior to 2017, UCS was writing business primarily in Massachusetts and has only been writing business outside of Massachusetts for a limited period of time.~~ We do not currently have a long history of national underwriting experience and, as a result, rely on generally available industry data in establishing loss and loss adjustment expense reserves, and our estimates may be materially different from actual losses and adjustments incurred. The process of estimating claims and claim adjustment expense reserves involves a high degree of judgment and is subject to a number of variables. These variables can be affected by both internal and external events, such as: • changes in claims handling procedures; • adverse changes in loss cost trends; • economic conditions including general inflation; • legal trends and legislative changes; • limited claims experience in newer insurance products; and • varying judgments and viewpoints of the individuals involved in the estimation process, among others. The impact of many of these items on ultimate costs for claims and claim adjustment expenses will be difficult to estimate. We also expect that claims and claim adjustment expense reserve estimation difficulties will also differ significantly by product line due to differences in claim complexity, the volume of claims, the potential severity of individual claims, the determination of occurrence date for a claim and reporting lags (the time between the occurrence of the policyholder event and when it is actually reported to the insurer). ~~In addition, as a result of the COVID-19 pandemic, we suspended issuing surety bonds insuring landlords against rent payment defaults and established additional loss reserves to cover anticipated claims. The COVID-19 pandemic and other unforeseen events could result in insurance claims exceeding our loss and loss adjustment expense reserves.~~ The estimation of claims and claim adjustment expense reserves may also be more difficult during times of adverse or uncertain economic conditions due to unexpected changes in behavior of claimants and policyholders, including an increase in fraudulent reporting of exposures and / or losses, reduced maintenance of insured properties, increased frequency of small claims or delays in the reporting of claims, and the impact of inflation on the cost of services and materials, **and the ability of the principal to repay the surety company for any claims the surety company must pay.** We will attempt to consider all significant facts and circumstances known at the time claims and claim adjustment expense reserves are established or reviewed. Due to the inherent uncertainty underlying claims and claim adjustment expense reserve estimates, the final resolution of the estimated liability for claims and claim adjustment expenses will likely be higher or lower than the related claims and claim adjustment expense reserves at the reporting date. Therefore, actual paid losses in the future may yield a materially different amount than will be currently reserved. Because of the uncertainties set forth above, additional liabilities resulting from an accumulation of insured events, may exceed the current related reserves. In addition, our estimate of claims and claim adjustment expenses may change. These additional liabilities or increases in estimates, or a range of either, cannot now be reasonably estimated and could materially and adversely affect our results of operations and / or our financial position. Our efforts to develop new insurance products or expand in targeted markets may not be successful and may create enhanced risks. A number of our planned business initiatives in the insurance markets we intend to serve will involve developing new products or expanding existing products in targeted markets. This includes the following efforts, from time to time, to protect or grow market share: • We may develop products that insure risks we have not previously insured, contain new coverage or coverage terms or contain different commission terms. • We may refine our underwriting processes. • We may seek to expand distribution channels. • We may focus on geographic markets within or outside of the United States where we have had relatively little or no market share. We may not be successful in introducing new products or expanding in targeted markets and, even if we are successful, these efforts may create enhanced risks. Among other risks: • Demand for new products or in new markets may not meet our expectations. • To the extent we are able to market new products or expand in new markets, our risk exposures may change, and the data and models we use to manage such exposures may not be as sophisticated or effective as those we use in existing markets or with existing products. This, in turn, could lead to losses in excess of our expectations. • Models underlying underwriting and pricing decisions may not be effective. • Efforts to develop new products or markets have the potential to create or increase distribution channel conflict. • To develop new products or markets, we may need to make substantial capital and operating expenditures, which may also negatively impact results in the near term. If our efforts to develop new products or expand in targeted markets are not successful, our results of operations could be materially and adversely affected. Adverse economic factors, including recession, inflation, periods of high unemployment or lower economic activity could result in the sale of fewer surety policies than expected or an increase in frequency or severity of claims and premium defaults or both, which, in turn, could affect the growth and profitability of our surety insurance business. Factors, such as business revenue, economic conditions, natural disasters, the volatility and strength of the capital markets and inflation can affect the business and economic environment. These same factors affect our ability to generate revenue and profits. In an economic downturn that is characterized by higher unemployment, declining spending and reduced corporate revenues, the demand for insurance products is generally adversely affected, which directly affects our premium levels and profitability. Negative economic factors may also affect our ability to

receive the appropriate rate for the risk we insure with our policyholders and may adversely affect the number of policies we can write, including with respect to our opportunities to underwrite profitable business. In an economic downturn, our customers may have less need for insurance coverage. A decline in our financial strength rating may adversely affect the amount of business we write. Participants in the insurance industry use ratings from independent ratings agencies, such as A. M. Best, as an important means of assessing the financial strength and quality of insurers. In setting its ratings, A. M. Best uses a quantitative and qualitative analysis of a company's balance sheet strength, operating performance and business profile. This analysis includes comparisons to peers and industry standards as well as assessments of operating plans, philosophy and management. A. M. Best financial strength ratings range from "A" (Superior) to "F" for insurance companies that have been publicly placed in liquidation. As of the date of this Annual Report on Form 10-K, A. M. Best has assigned a financial strength rating of "A-" (Excellent) to our operating subsidiary, UCS. A. M. Best assigns ratings that are intended to provide an independent opinion of an insurance company's ability to meet its obligations to policyholders and such ratings are not evaluations directed to investors and are not a recommendation to buy, sell or hold our common stock or any other securities we may issue. A. M. Best periodically reviews our financial strength rating and may revise it downward or revoke it at its sole discretion based primarily on its analysis of our balance sheet strength (including capital adequacy and loss adjustment expense reserve adequacy), operating performance and business profile. Factors that could affect such analysis include but are not limited to: • if we change our business practices from our organizational business plan in a manner that no longer supports A. M. Best's rating; • if unfavorable financial, regulatory, reinsurance or market trends affect us, including excess market capacity; • if our losses exceed our loss reserves; • if we have unresolved issues with government regulators; • if we are unable to retain our senior management or other key personnel; • if our investment portfolio incurs significant losses; or • if A. M. Best alters its capital adequacy assessment methodology in a manner that would adversely affect our rating. These and other factors could result in a downgrade of our financial strength rating. A downgrade or withdrawal of our rating could result in any of the following consequences, among others: • causing our current and future brokers and insureds to choose other, more highly-rated competitors; • increasing the cost or reducing the availability of reinsurance to us; • severely limiting or preventing us from writing new insurance contracts; or • giving any future potential lenders the right to accelerate or call any future debt we may incur. In addition, in view of the earnings and capital pressures recently experienced by many financial institutions, including insurance companies, it is possible that rating organizations will heighten the level of scrutiny that they apply to such institutions, will increase the frequency and scope of their credit reviews, will request additional information from the companies that they rate or will increase the capital and other requirements employed in the rating organizations' models for maintenance of certain ratings levels. We can offer no assurance that our rating will remain at its current level. It is possible that such reviews of us may result in adverse ratings consequences, which could have a material adverse effect on our financial condition and results of operations. We lack operational control over certain companies in which we invest and may lack operational control over companies in which we may invest in the future. We have made, and may continue to make, certain strategic investments in various businesses without acquiring all or a majority ownership stake in those businesses. To the extent that such investments represent a minority or passive stake in any business, we may have little to no participation, input or control over the management, policies, and operations of such business. Further, we may lack sufficient ownership of voting securities to impact, without the vote of additional equity holders, any matters submitted to stockholders or members of such business for a vote. We currently lack operational control over our investments in Sky Harbour, CB & T, MyBundle and Logic. There is inherent risk in making minority equity investments in companies over which we have little to no control. Without control of the management and decision-making of these businesses, we cannot control their direction, strategy, policies and business plans, and we may be powerless to improve any declines in their performance, operating results and financial condition. If any company in which we are a minority investor suffers adverse effects, it may not be able to continue as a going business concern, and we may lose our entire investment. We are subject to extensive financial reporting and related requirements for which our accounting and other management systems and resources may not be adequately prepared. We are subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of the Sarbanes-Oxley Act. Section 404 requires us to conduct an annual management assessment of the effectiveness of our internal controls over financial reporting, and Section 404 (b) requires our independent registered accounting firm to attest to and report on our management's assessment of our internal controls. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources. In order to comply with these requirements, we may need to (i) upgrade our systems, (ii) implement additional financial and management controls, reporting systems and procedures, (iii) implement an internal audit function, and (iv) hire additional accounting, internal audit and finance staff. If we are unable to accomplish these objectives in a timely and effective manner, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies could be impaired. Any failure to maintain effective internal controls could have a negative impact on our ability to manage our business and on our stock price. We may fail to maintain effective internal controls over external financial reporting or such controls may fail or be circumvented. Federal securities laws require us to report on our internal controls over financial reporting, and our business and financial results could be adversely affected if we, or our independent registered public accounting firm, determine that these controls are not effective. If we do not maintain adequate financial and management personnel, processes, and controls, we may not be able to accurately report our financial performance on a timely basis, we may be otherwise unable to comply with the periodic reporting requirements of the SEC and the listing of our Class A common stock on the NYSE could be suspended or terminated, each of which could have a material adverse effect on the confidence in our financial reporting, our credibility in the marketplace, and the trading price of our Class A common stock. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our committees and as executive officers. In 2023, we identified a material weakness in our internal control over financial reporting in connection with our previous accounting for our investment in the 24th Street Funds under

Accounting Standards Codification 323, Equity Method and Joint Ventures **for fiscal year 2022**. Although this material weakness was subsequently remediated, any future material weakness could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner. 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 generally accepted accounting principles. 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. We identified a material weakness in the Company's internal control over financial reporting existing as of December 31, 2022. Specifically, our management concluded that our disclosure controls and procedures and internal control over financial reporting were not effective related to the risk assessment of our investment in unconsolidated entities who are required to apply specialized industry accounting. Specifically, the Company did not design and implement effective controls addressing the technical accounting complexities associated with companies who are required to apply investment company accounting guidance. ~~Within our current filing, we have revised our Consolidated Balance Sheet and Consolidated Statement of Operations as of and for the year ended December 31, 2022, to reflect our proportionate share of reported earnings pursuant to investment company accounting requirements related to our previous investment in the 24th Street Funds.~~ This material weakness did not require a restatement of our financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2022 as our evaluation concluded that the impact quantitatively and qualitatively was not material to any of the prior periods. Despite our remediation of this material weakness in 2023, any failure in the future to maintain effective internal controls could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our Class A common stock is listed, the SEC or other regulatory authorities. In either case, this could result in a material adverse effect on our business. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock. Restated financial statements and failures in internal control may also cause us to fail to meet reporting obligations, negatively affect investor confidence in our management and the accuracy of our financial statements and disclosures, or result in adverse publicity and concerns from investors, any of which could have a negative effect on the price of our securities, subject us to regulatory investigations and penalties or stockholder litigation, and have a material adverse impact on our financial condition. We can give no assurance that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements. Risks Related to Ownership of our Common Stock Investors should not rely on the accuracy of forward- looking statements made by us. To the extent that we or any of our officers were to provide any forward- looking statements, investors must recognize that any such forward- looking statements are based upon assumptions and estimates. We cannot make any representations as to the accuracy and reasonableness of such assumptions or the forward- looking statements based thereon. The validity and accuracy of those forward- looking statements will depend in large part on future events that we cannot foresee and may or may not prove to be correct. Consequently, there can be no assurance that our actual operating results will correspond to any of the forward- looking statements. Accordingly, an investment in our common stock should not be made in reliance on forward- looking statements prepared or provided by us. The price of our Class A common stock has been, and is likely to continue to be, volatile and may fluctuate substantially, which could result in substantial losses for purchasers of our Class A common stock. Our Class A common stock price has been, and is likely to continue to be, volatile. The stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your Class A common stock at or above your original purchase price. The market price for our Class A common stock may be influenced by many factors, many of which are beyond our control, including those discussed in this " Risk Factors " section and elsewhere in this Annual Report and the following: ● our operating and financial performance and prospects; ● success of our competitors' products or services; ● regulatory or legal developments in the United States, especially changes in laws or regulations applicable to our products and services, and changes in federal and state corporate tax laws; ● additions or departures of key management personnel; ● market and industry perception of our success, or lack thereof, in pursuing our growth strategy; ● introductions or announcements of new products and services offered by us or significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors and the timing of such introductions or announcements; ● our ability to effectively manage our growth; ● our quarterly or annual earnings or those of other companies in the industries in which we participate; ● actual or anticipated changes in estimates to or projections of financial results, development timelines or recommendations by securities analysts; ● publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts; ● the public's potential adverse reaction to our intention not to publish any guidance with respect to future earnings; ● the public's reaction to our press releases, other public announcements or our competitors' businesses; ● market conditions in the billboard, insurance, broadband, real estate and other sectors in which we may operate as well as general economic conditions; ● our ability or inability to raise additional capital through the issuance of equity or debt or other arrangements and the terms on which we raise it; ● trading volume of our Class A common stock; ● the resale of Class A common stock held by our affiliates; ● changes in accounting standards, policies, guidance or principles; ● significant lawsuits, including stockholder

litigation; ● general economic, industry and market conditions, including those resulting from inflation, geopolitical issues; natural disasters, severe weather events, terrorist attacks, epidemics and pandemics (such as the COVID- 19 pandemic) and responses to such events; ● accounting charges associated with **operating losses at Sky Harbour as well as any** reductions in the value of our investments in **Sky Warrants, reductions in value for** publicly traded securities **which we mark to market,** and **impairment charges for our investments in** private companies; ● our income or losses in unconsolidated affiliates in which we have invested capital and our retention of specialized accounting for our investments in entities which qualify as investment companies and apply specialized industry accounting; and ● changes in other investment income or losses. If our quarterly operating results fall below the expectations of investors or securities analysts, the price of our Class A common stock could decline substantially. Furthermore, any quarterly fluctuations in our operating results may, in turn, cause the price of our stock to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance. The stock market in general, and market prices for the securities of companies like ours in particular, **, as well as companies such as Sky Harbour**, have from time to time experienced volatility that often has been unrelated to the operating performance of the underlying companies. These broad market and industry fluctuations may adversely affect the market price of our Class A common stock, regardless of our operating performance. In several recent situations when the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a lawsuit against us, the defense and disposition of the lawsuit could be costly and divert the time and attention of our management and harm our operating results. We are a smaller reporting company, and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our Class A common stock less attractive to investors. We are currently a “ smaller reporting company ” as defined in Rule 12b- 2 of the Exchange Act. “ Smaller reporting companies ” are able to provide simplified executive compensation disclosures in their filings and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports and in certain registration statements filed with the SEC and no requirement, as long as our revenues are below \$ 100 million and the value of our Class A common stock held by the public as measured on certain dates, is less than \$ 700 million, to have our independent auditor report on and attest to our management’ s assessment of the effectiveness of its internal control over financial reporting under Section 404 (b) of the Sarbanes- Oxley Act (15 U. S. C. 7262 (b)). Decreased disclosures in our SEC filings due to our status as a “ smaller reporting company ” may make it harder for investors to analyze our results of operations and financial prospects and certain elements of our compensation program for executive officers and key employees. An active trading market for our Class A common stock may not be maintained. Our Class A common stock began trading on the NASDAQ Capital Market on June 16, 2017 and on the New York Stock Exchange on January 14, 2022. There is a risk that an active trading market for our shares may not be maintained. If an active market for our Class A common stock is not maintained, it may be difficult for you to sell your shares without depressing the market price for the shares or at all. The lack of an active market may also impair your ability to sell your shares at a time you wish to sell them or at a price that you consider reasonable and it may reduce the market value of your shares. An inactive trading market may also impair our ability to raise capital, to continue to fund operations by selling shares, and may impair our ability to acquire other companies or technologies by using our shares as consideration. We will continue to incur increased costs as a result of operating as a public company in the United States. As a public company in the United States, we have incurred and will continue to incur significant legal, accounting, insurance and other expenses, including costs associated with U. S. public company reporting requirements. We will also incur costs associated with NYSE listing requirements, the Sarbanes- Oxley Act and related rules implemented by the SEC. The expenses incurred by U. S. public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations would increase our legal and financial compliance costs and make some activities more time- consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. In estimating these costs, we took into account expenses related to insurance, legal, accounting, and compliance activities, as well as other expenses not currently incurred. These laws and regulations could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our Board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Class A common stock, fines, sanctions and other regulatory action and potentially civil litigation. If a substantial number of shares of our Class A common stock become available for sale and are sold in a short period of time, the market price of our Class A common stock could decline. If our current stockholders sell substantial amounts of our Class A common stock in the public market in a short period of time, the market price of our Class A common stock could decrease. The perception in the public market that our current stockholders might sell shares of Class A common stock could also create a perceived overhang and depress our market price. As of March ~~22-27, 2024-2025~~, MBOC I holds for the benefit of Massachusetts Institute of Technology (" MIT") and a pension fund managed by MIT ~~5, 589, 253~~ shares of our Class A common stock. In addition, the MIT affiliated pension fund separately reported that as of February ~~7-14, 2024-2025~~, it owns an additional ~~2, 444, 473~~ shares of our Class A common stock. Additionally, Mr. Peterson and entities managed by Magnolia ~~together with Mr. Rozek and entities managed by Boulderado~~ collectively own ~~733-587, 107-031~~ shares of our Class A common stock and ~~1-580, 558 055, 560~~ shares of our Class B common stock, which converts on a one for one basis into an equivalent number of shares of our Class A common stock. Pursuant to the exercise of rights under a registration rights agreement, in September 2021, we registered a total of 9, 698, 705 shares of Class A common stock, including 6, 437, 768 shares of Class A common stock owned by MBOC I and beneficially owned by entities associated with **MIT** the Massachusetts Institute of Technology and the remaining 3, 260, 937 shares owned

directly by certain entities affiliated with MIT and also grants them the right to participate in future registrations of securities by us, subject to certain conditions. In May 2022, we updated the Registration Statement to reflect subsequent distributions of **the certain shares of** Class A common stock owned by MBOC I to MIT, resulting in a reduction in the number of shares registered to 8, 297, 039 shares of our Class A common stock. These registration rights continue until the earlier of March 31, 2033 or the date when an investor may resell the shares of our Class A common stock under Rule 144 as of the date when all registrable securities held by and issued to such investor may be sold under Rule 144 under the Securities Act during any 90 day period. In May 2022, we also registered 1, 018, 660 shares of Class A common stock held by Magnolia and Boulderado and their affiliates. **All the shares held by Boulderado were repurchased by the Company in May 2024 and, as a result, 522, 231 shares of our Class A common stock are available for resale under that registration statement.** As of December 31, ~~2023~~ **2024**, certain of our stockholders still hold 8, ~~359-555~~, ~~850-957~~ registered shares of our Class A common stock. ~~Additionally, entities controlled by Magnolia and Boulderado have partners and members that may seek to have their interests redeemed and/or entities controlled by Boulderado and Magnolia may make a distribution to their partners and members or may dissolve such entities. In any such event, entities controlled by Boulderado or Magnolia would report a transfer of shares on a Form 4 filed with the SEC, which may affect the market price of our Class A common stock.~~ As of March ~~22-27~~, ~~2024~~ **2025**, an additional ~~407-563~~, ~~484-725~~ shares of our Class A common stock are owned directly or indirectly by our officers and directors and their affiliates other than ~~Messrs Mr. Peterson and Rozek~~ and are available for resale under Rule 144 under the Securities Act. In addition, we have issued ~~80-142~~, ~~912-134~~ shares of our Class A common stock under the 2022 Long- Term Incentive Plan and may issue additional shares in the future. Although we have not registered the shares issued or available for issuance under the 2022 Long- Term Incentive Plan, we may do so in the future. A sale of a large number of the shares described above may have a depressive effect upon the price of our Class A common stock. If equity research analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our Class A common stock, the market price of our Class A common stock could decline. The trading market for our Class A common stock likely will be influenced by the research and reports that equity and debt research analysts publish about the industry, us and our business. The market price of our Class A common stock could decline if one or more securities analysts downgrade our shares or if those analysts issue a sell recommendation or other unfavorable commentary or cease publishing reports about us or our business. If one or more of the analysts who elect to cover us downgrade our shares, the market price of our Class A common stock would likely decline. Entities managed by Magnolia ~~and Boulderado~~ currently effectively control **31.1 % of the votes needed on** all voting matters brought before our stockholders, **making it difficult for stockholder proposals not approved by Magnolia to receive stockholder approval.** Currently, MCF ~~and BP~~ collectively own ~~owns~~ all of our Class B common stock and entities managed by Magnolia ~~and Boulderado~~ own ~~19-18~~, ~~5-1~~ % of our Class A common stock, resulting in their holding ~~41-31~~, ~~8-1~~ % of the aggregate voting power of the company. As a result, Mr. Peterson and entities managed by Magnolia together control ~~28-32~~, ~~7-5~~ % of the aggregate voting power, and Mr. Rozek and entities managed by Boulderado together control ~~14-3~~ % of the aggregate voting power. Moreover, it is possible that entities managed by ~~Boulderado and Magnolia~~ may increase their ownership in us if we sell additional shares of stock to them in connection with any future capital raise we may conduct. Also, each share of Class B common stock is entitled to cast 10 votes for all matters on which our stockholders vote, while each share of Class A common stock is entitled to cast only one vote. For the foreseeable future, entities managed by Magnolia ~~and Boulderado~~ will likely continue to **effectively make it more difficult control virtually all matters submitted to stockholders for a vote stockholder proposals not approved by Magnolia to pass**; may elect all of our ~~directors~~ **make it more difficult for** directors ~~director nominations not approved by Magnolia to succeed~~; and, as a result, **Magnolia** may **effectively** control our management, policies, and operations. Our other stockholders will not have voting control over our actions, including the determination of other industries and markets that we may enter. The interests of the entities managed by Magnolia ~~and Boulderado~~ may not coincide with the interests of other holders of our Class A common stock. The entities managed by Magnolia ~~and Boulderado~~ are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. The entities managed by Magnolia ~~and Boulderado~~ may also pursue, for their own managers' or members' accounts, acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. So long as ~~each of MCF and BP~~ continue **continues** to own our Class B common stock or entities managed by Magnolia ~~and Boulderado~~ own a majority of our outstanding Class A common stock, they will continue to be able to strongly influence or effectively control our decisions, including potential mergers or acquisitions, asset sales and other significant corporate transactions. Certain actions cannot be taken without the approval of MCF ~~and BP~~ due to ~~their~~ **its** ownership of Class B common stock. MCF ~~and BP~~, the ~~holders~~ **holder** of record **of all** of the shares of Class B common stock, exclusively and as a separate class, ~~are~~ **is** entitled to elect ~~two a~~ **director** ~~director~~ to our Board of Directors, which we refer to as the "Class B Directors ~~Director~~," **The** which number of Class B Directors may be reduced pursuant to the terms and conditions of the Amended and Restated Voting and First Refusal Agreement between MCF and BP entered into on June 19, 2015, which we refer to as the "Amended and Restated Voting and First Refusal Agreement." Any Class B Director may be removed without cause by, and only by, the affirmative vote of the holders of eighty percent (80 %) of the shares of Class B common stock exclusively and as a separate class, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of such stockholders. At any time when shares of Class B common stock are outstanding, we may not, without the affirmative vote of ~~both of the Class B Directors~~ **Director**: • Amend, alter or otherwise change the rights, preferences or privileges of the Class B common stock, or amend, alter or repeal any provision of our certificate of incorporation or bylaws in a manner that adversely affects the powers, preferences or rights of the Class B common stock. • Liquidate, dissolve or wind- up our business, effect any merger or consolidation or any other deemed liquidation event or consent to any of the foregoing. • Create, or authorize the creation of, or issue additional shares of Class B common stock, or increase the authorized number of shares of any additional class or series of capital stock. • Increase

or decrease the authorized number of directors constituting the Board of Directors. • Hire, terminate, change the compensation of, or amend the employment agreements of, our executive officers. • Purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of our capital stock. • Create, or authorize the creation of, or issue, or authorize the issuance of any debt security, if our aggregate indebtedness for borrowed money following such action would exceed \$ 10, 000, or guarantee, any indebtedness except for our own trade accounts arising in the ordinary course of business. • Make, or permit any subsidiary to make, any loan or advance outside of the ordinary course of business to any employee or director. • Create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by us or permit any direct or indirect subsidiary to sell, lease, or otherwise dispose of all or substantially all of the assets of any subsidiary. • Change our principal business, enter new lines of business, or exit the current line of business. • Enter into any agreement involving the payment, contribution, or assignment by us or to us of money or assets greater than \$ 10, 000. • Enter into or be a party to any transaction outside of the ordinary course of business with any of our directors, officers, or employees or any “ associate ” (as defined in Rule 12b- 2 promulgated under the Exchange Act) of any such person or entity. • Acquire, by merger, stock purchase, asset purchase or otherwise, any material assets or securities of any other corporation, partnership or other entity. Provisions in our charter documents and Delaware law could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders. Provisions in our certificate of incorporation (including but not limited to the rights of the holders of Class B common stock) and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control that some stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our Class A common stock. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, possibly depressing the market price of our Class A common stock. The anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, our certificate of incorporation, as amended, and bylaws contain provisions that may make the acquisition of the Company more difficult, including, but not limited to, the following: • setting forth specific procedures regarding how our stockholders may nominate directors for election at stockholder meetings; • permitting our Board of Directors to issue preferred stock without stockholder approval; and • limiting the rights of stockholders to amend our bylaws, call a special meeting of our stockholders or take action by written consent. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace members of our Board of Directors. Because our Board of Directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace members of our management team. Our Board of Directors is authorized to issue preferred stock without stockholder approval, which could be used to institute a “ poison pill ” that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our Board of Directors. Our certificate of incorporation authorizes our Board of Directors to issue up to 1, 000, 000 shares of preferred stock. The preferred stock may be issued in one or more series, the terms of which may be determined by our Board of Directors at the time of issuance or fixed by resolution without further action by the stockholders. These terms may include voting rights, preferences as to dividends and liquidation, conversion rights, redemption rights and sinking fund provisions. The issuance of preferred stock could diminish the rights of holders of our common stock, and, therefore, could reduce the value of our common stock. In addition, specific rights granted to holders of preferred stock could be used to restrict our ability to merge with, or sell assets to, a third party. The ability of our Board of Directors to issue preferred stock could delay, discourage, prevent or make it more difficult or costly to acquire or effect a change in control, thereby preserving the current stockholders’ control. Because we do not intend to pay dividends for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it. We do not intend to pay dividends for the foreseeable future, and our stockholders will not be guaranteed, or have contractual or other rights, to receive dividends. Our Board of Directors may, in its discretion, modify or repeal our dividend policy or discontinue entirely the payment of dividends. The declaration and payment of dividends depends on various factors, including: our net income, financial condition, cash requirements, future prospects and other factors deemed relevant by our Board of Directors. In addition, state insurance regulators will limit the amount of dividends, if any, we can draw from our UCS insurance operations and Link’ s **and BOB’ s credit agreement agreements** prohibits **it them** from issuing dividends to us if as a result of any such dividend **Link** would be in violation of the financial covenants set forth in the credit **agreement agreements**. In addition, under the Delaware General Corporation Law, which we refer to as the “ DGCL, ” our Board of Directors may not authorize payment of a dividend unless it is either paid out of our surplus, as calculated in accordance with the DGCL, or if we do not have a surplus, it is paid out of our net profits for the fiscal year in which the dividend is declared and / or the preceding fiscal year. If we are, or were, a U. S. real property holding corporation, non- U. S. holders of our Class A common stock could be subject to U. S. federal income tax on the gain from its sale, exchange or other disposition. If we are or ever have been a U. S. real property holding corporation, which we refer to as “ USRPHC, ” under the Foreign Investment in Real Property Tax Act of 1980 and applicable United States Treasury regulations, which we refer to collectively as the “ FIRPTA Rules, ” unless an exception applies, certain non- U. S. investors in our Class A common stock would be subject to U. S. federal income tax on the gain from the sale, exchange or other disposition of shares of our Class A common stock, and such non- U. S. investor would be required to file a United States federal income tax return. In addition, the purchaser of such Class A common stock would be required to withhold a portion of the purchase price and remit such amount to the U. S. Internal Revenue Service. In general, under the FIRPTA Rules, a company is a USRPHC if its interests in U. S. real property comprise at least 50 % of the fair market value of its assets. If we are or were a USRPHC, so long as our Class A common stock is “ regularly traded on an established securities market ” (as defined under the FIRPTA Rules), a non- U. S. holder who, actually or constructively, holds or held no more than 5 % of our Class A common stock is not subject to U. S. federal income tax on the gain from the sale, exchange or other

disposition of our common stock under FIRPTA Rules. In addition, other interests in equity of a USRPHC may qualify for this exception if, on the date such interest was acquired, such interests had a fair market value no greater than the fair market value on that date of 5 % of our Class A common stock. Any of our Class A common stockholders that are non- U. S. persons should consult their tax advisors to determine the consequences of investing in our Class A common stock. You may be diluted by the future issuance of additional Class A common stock in connection with acquisitions, sales of our securities or otherwise. As of March 22-27, 2024-2025, we had 8-7, 539-848, 476-893 shares of Class A common stock authorized but unissued under our certificate of incorporation. We will be authorized to issue these shares of Class A common stock and options, rights, warrants and appreciation rights relating to Class A common stock for consideration and on terms and conditions established by our Board of Directors in its sole discretion, subject to applicable laws and NYSE rules, whether in connection with acquisitions, financings or otherwise. Any Class A common stock that we issue would dilute the percentage ownership held by current investors. In the future, we may issue our securities, including shares of our common stock, in connection with financings, investments or acquisitions. We regularly evaluate potential acquisition opportunities, including ones that would be significant to us. We cannot predict the timing of any contemplated transactions, and none are currently probable, but any pending transaction could be entered into shortly after the filing of this Annual Report on Form 10- K. The amount of shares of our Class A common stock issued in connection with a financing, investment or acquisition could constitute a material portion of our then-outstanding shares of Class A common stock. Any issuance of additional securities in connection with financings, investments or acquisitions may result in additional dilution to you. Our authorized preferred stock exposes holders of our common stock to certain risks. Our certificate of incorporation authorizes the issuance of up to 1, 000, 000 shares of preferred stock. The authorized but unissued preferred stock constitutes what is commonly referred to as “ blank check ” preferred stock. This type of preferred stock may be issued by the Board of Directors from time to time on any number of occasions, without stockholder approval, as one or more separate series of shares comprised of any number of the authorized but unissued shares of preferred stock, designated by resolution of the Board of Directors stating the name and number of shares of each series and setting forth separately for such series the relative rights, privileges and preferences thereof, including, if any, the: (i) rate of dividends payable thereon; (ii) price, terms and conditions of redemption; (iii) voluntary and involuntary liquidation preferences; (iv) provisions of a sinking fund for redemption or repurchase; (v) terms of conversion to common stock, including conversion price and antidilution protection, and (vi) voting rights. Such preferred stock may provide our Board of Directors the ability to hinder or discourage any attempt to gain control of us by a merger, tender offer at a control premium price, proxy contest or otherwise. Consequently, the preferred stock could entrench our management. The market price of our Class A common stock could be depressed to some extent by the existence of the preferred stock. As of March 22-27, 2024-2025, no shares of preferred stock have been issued. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States are the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (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 of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws, (iv) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws or (v) any action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our certificate of incorporation described in the preceding sentence. This choice of forum provision may limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act of 1933, as amended (the “ Securities Act ”) creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. T his exclusive –forum provision may limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive- forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business, financial condition, results of operations, and prospects. Our directors have limited liability under Delaware law. Pursuant to our certificate of incorporation, and Delaware law, our directors are not liable to us or our stockholders for monetary damages for breach of fiduciary duty, except for: liability in connection with a breach of the duty of loyalty; acts or omissions not in good faith; acts or omissions that involve intentional misconduct or a knowing violation of law; dividend payments or stock repurchases that are illegal under Delaware law; or any transaction in which a director has derived an improper personal benefit. Accordingly, except in those circumstances, our directors will not be liable to us or our stockholders for breach of their duty. Our ability to use our net operating loss carry forwards may be subject to limitation and may result in increased future tax liability. Sections 382 and 383 of the Internal Revenue Code contain rules that limit the ability of a company that undergoes an “ ownership change ” to utilize its net operating loss and tax credit carry forwards and certain built- in losses recognized in years after the ownership change. An “

ownership change” is generally defined in Section 382 of the Internal Revenue Code as any change in ownership of more than 50 % of a corporation’s stock over a rolling three- year period by stockholders that own (directly or indirectly) 5 % or more of the stock of a corporation, or arising from a new issuance of stock by a corporation. If an ownership change occurs, Section 382 generally imposes an annual limitation on the use of pre- ownership change net operating losses, which we refer to as “NOLs,” credits and certain other tax attributes to offset taxable income earned after the ownership change. The annual limitation is equal to the product of the applicable long- term tax exempt rate and the value of the company’s stock immediately before the ownership change. This annual limitation may be adjusted to reflect any unused annual limitation for prior years and certain recognized built- in gains and losses for the year. In addition, Section 383 generally limits the amount of tax liability in any post- ownership change year that can be reduced by pre- ownership change tax credit carryforwards. In addition, tax net operating loss carry forwards generated in years beginning after December 31, 2017 may be carried forward indefinitely but are only available to offset 80 % of future taxable income. This could result in increased U. S. federal income tax liability for us if we generate taxable income in a future period. Limitations on the use of NOLs and other tax attributes could also increase our state tax liability. The use of our tax attributes will also be limited to the extent that we do not generate positive taxable income in future tax periods. As a result of these limitations, we may be unable to offset future taxable income (if any) with losses, or our tax liability with credits, before such losses and credits expire. Accordingly, these limitations may increase our federal income tax liability. NOLs generated during 2018 and thereafter do not expire. As of December 31, 2023-2024, we had NOLs of approximately \$ 72-91. 5-1 million. We have continue to assess assessed the impact of the 2018 private placement, our “ at the market ” offerings, our 2020 public offering, our 2021 public offering, and other transactions to determine whether an “ ownership change,” as defined in Section 382 of the Internal Revenue Code, has occurred and, if so, the do not anticipate that such shifts would result in any permanent limitations- limitation on our ability to utilize NOLs. Additionally, it is possible that future transactions may cause us to undergo one or more ownership changes. Certain of these NOLs may be also at risk of limitation in the event of a future ownership change. We have U. S. federal and state NOLs. In general, NOLs in one state cannot be used to offset income in any other state. Accordingly, we may be subject to tax in certain jurisdictions even if we have unused NOLs in other jurisdictions. Also, each jurisdiction in which we operate may have its own limitations on our ability to utilize NOLs or tax credit carryovers generated in that jurisdiction. These limitations may increase our federal, state, and / or foreign income tax liability.