

Risk Factors Comparison 2023-12-07 to 2022-08-16 Form: 10-K

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An investment in our securities involves a high degree of risk. Any of the factors set forth under “ Risk factors ” may limit our ability to successfully execute our business strategy. You should carefully consider all of the information set forth in this Annual Report, and, in particular, you should evaluate the specific factors set forth under “ Risk Factors ” in deciding whether to invest in our securities. Among these important risks are the following: • Since our acquisition of ComSovereign in November 2019 and considering our recent liquidity challenges, we lack an established operating history on which to evaluate our consolidated business and determine if we will be able to execute our business plan, and we can give no assurance that our operations will result in profits. • We incurred net losses in our fiscal years ended December 31, 2022 and 2021 with negative cash flows, and we cannot assure you as to when, or if, we will become profitable and generate positive cash flows. • We expect to continue to incur losses from operations and negative cash flows, which raise substantial doubt about our ability to continue as a going concern. • We may not generate sufficient cash flows to cover our operating expenses. • We have significant debt and if we are unable to repay our debt when it becomes due, our business, financial condition and results of operations could be materially harmed. • We have defaulted on certain debt obligations and lease obligations and if we are unable to meet our obligations when it becomes due, our business, financial condition and results of operations could be materially harmed. • If we are unable to obtain additional funding when needed, our business operations will be harmed, and if we do obtain additional financing, our then- existing stockholders may suffer substantial dilution. • Raising capital in the future could cause dilution to our existing stockholders and may restrict our operations or require us to relinquish rights. • Pandemics may negatively affect our operations depending on the severity and longevity of the pandemic. • Rapid technological change in our market and / or changes in customer requirements could cause our products to become obsolete or require us to redesign our products, which would have a material adverse effect on our business, operating results and financial condition. • Product development is a long, expensive and uncertain process, and our failure to develop marketable products in our various markets could adversely affect our business, prospects and financial condition. • We compete with companies that have significantly more resources for their research and development efforts than we have or have received government contracts for the development of new products. • Product quality problems, defects, errors or vulnerabilities in our products could harm our reputation and adversely affect our business, financial condition, results of operations and prospects. • If we lose our rights to use software we currently license from third parties, we could be forced to seek alternative technology, which could increase our operating expenses and could adversely affect our ability to compete. • If sufficient radio spectrum is not allocated for use by our products or if we fail to obtain regulatory approval for our products, our ability to market our products may be restricted. • If critical components or raw materials used to manufacture our products become scarce or unavailable, then we may incur delays in manufacturing and delivery of our products, which could damage our business. • Our future profitability may depend on achieving cost reductions from increasing manufacturing quantities of our products. Failing to achieve such reductions in manufacturing costs could materially affect our business. • We rely primarily upon two outsourced manufacturers, one each for manufacturing FastBack radios and DragonWave radios and related components and we are exposed to the risk that these two manufacturers will not be able to satisfy our manufacturing needs on a timely basis. • Our potential customers for our aerostat and drone products are likely to include U. S. Government or Government- related entities that are subject to appropriations by Congress. Reduced funding for defense procurement and research and development programs would likely adversely impact our ability to generate revenues. • Challenging global economic conditions, ongoing geopolitical and trade uncertainty and ongoing local and regional conflicts may adversely impact the demand, cost and pricing for our products and services, as well as limit our ability to grow. • We may be unable to successfully integrate our recent and future acquisitions, which could adversely affect our business, financial condition, results of operations and prospects. • There may be health and safety risks relating to wireless products. • If a successful product liability claim were made against us, our business could be seriously harmed. • Our tethered aerostat and drone business and operations are subject to the risks of hurricanes, tropical storms, and other natural disasters. • We have identified material weaknesses in our internal control over financial reporting, and we cannot assure you that additional material weaknesses or significant deficiencies will not occur in the future. If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results or prevent fraud, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price. • Our common stock price may be volatile, which could result in substantial losses to investors and litigation. • We have been delinquent with timely filing of our Annual Report and Quarterly Reports with the SEC and cannot assure that we will be able to timely file our reports in the future. • We are not in compliance with Nasdaq’ s listing standards and cannot assure that we will be able to comply with Nasdaq’ s listing standards in the future or that our common stock, warrants, and 9.25 % Series A Cumulative Redeemable Perpetual Preferred Stock will remain listed on The Nasdaq Capital Market.

Risks Related to Our Business and Industry We lack an established operating history on which to evaluate our consolidated business and determine if we will be able to execute our business plan, and we can give no assurance that our operations will result in profits. While we have conducted our Drone Aviation business operations since 2014, we consummated the acquisition of our ComSovereign subsidiary and its various lines

of business, which are diverse and involve a number of different proposed and existing product offerings, in November 2019, and a number of other operating subsidiaries since that time. As a result, we have a limited operating history as a consolidated company upon which you may evaluate our business and prospects. Our business operations are subject to numerous risks, uncertainties, expenses, and difficulties associated with early-stage enterprises. You should consider an investment in our company in light of these risks, uncertainties, expenses and difficulties. Such risks include: • the absence of an operating history in our current business and at our current scale; • our ability to anticipate and adapt to developing markets; • acceptance by customers; • limited marketing experience; • competition from competitors with substantially greater financial resources and assets; • our ability to provide superior customer service; and • reliance on key personnel. Because we are subject to these risks, and the other risks discussed below, you may have a difficult time evaluating our business and your investment in our company. We incurred net losses in our 2022 and 2021 and 2020 fiscal years with negative cash flows, and we cannot assure you as to when, or if, we will become profitable and generate positive cash flows. We experienced net losses from operations in our fiscal years ended December 31, 2022 and 2021 and 2020, and we may continue to incur net losses from operations in the future. Losses have historically required us to seek additional funding through the issuance of debt or equity securities. Our long-term success is dependent upon, among other things, achieving positive cash flows from operations and, if necessary, augmenting such cash flows using external resources to satisfy our cash needs. There can be no assurance that we will be able to obtain additional funding, if needed, on commercially reasonable terms, or if at all. We expect to continue to incur losses from operations and negative cash flows, which raise substantial doubt about our ability to continue as a going concern. We anticipate incurring additional losses until such time, if ever, as we can generate significant sales of our microwave radios and related products. We will require substantial additional financing to fund our operations and to develop and commercialize the technologies of our other operating subsidiaries. These factors raise substantial doubt about our ability to continue as a going concern. We will seek to obtain additional capital through the sale of non-core assets, debt or equity financings or other arrangements to fund operations; however, there can be no assurance that we will be able to raise needed capital under acceptable terms, if at all. The sale of additional equity may dilute existing stockholders and newly issued shares may contain senior rights and preferences compared to currently outstanding shares of common stock. Issued debt securities may contain covenants and limit our ability to pay dividends or make other distributions to stockholders. If we are unable to obtain such additional financing, future operations would need to be scaled back or discontinued. Due to the uncertainty in our ability to raise capital, we believe that there is substantial doubt in our ability to continue as a going concern. We may not generate sufficient cash flows to cover our operating expenses. As noted above, we have incurred recurring losses since inception. Until we can generate significant sales of our product lines, we expect to continue to incur losses primarily as a result of costs and expenses related to research and continued development of the technologies of our operating subsidiaries and our corporate general and administrative expenses. Our operations to date have been funded primarily through sales of our debt and equity securities. As of December 31, 2021, we had negative working capital of approximately \$ 3-15. 5-9 million and limited available cash. In the event that we are unable to generate sufficient cash from our operating activities or raise additional funds, we may be required to delay, reduce or severely curtail our operations or otherwise impede our on-going business efforts, which could have a material adverse effect on our business, operating results, financial condition and long-term prospects. We have significant debt and if we are unable to repay our debt when it becomes due, our business, financial condition and results of operations could be materially harmed. As of December 31, 2021, we had total debt obligations of approximately \$ 29-13. 4-5 million, excluding accrued interest and forgivable debt under the Coronavirus Aid, Relief, and Economic Security Act (“ CARES Act ”). Our outstanding indebtedness could have significant effects on our business, such as: • limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of our growth strategy and other purposes; • requiring us to dedicate a portion of our cash flows from operations to pay interest on our debt, which would reduce availability of our cash flows to fund working capital, capital expenditures, potential acquisitions, execution of our growth strategy and other general corporate purposes; • making us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our ability to plan for and react to changing conditions; and • placing us at a competitive disadvantage compared with our competitors that have less debt. We may not be able to generate sufficient cash flows from our operations to repay our indebtedness when it becomes due and to meet our other cash needs. If we are not able to pay our debts as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness, or selling additional debt or equity securities. We may not be able to refinance our debt, sell additional debt or equity securities or sell our assets on favorable terms, if at all, and if we must sell our assets, we may negatively affect our ability to generate revenue. We have defaulted on certain lease obligations and if we are unable to meet our obligations when it becomes due, our business, financial condition and results of operations could be materially harmed. Certain of our debt obligations required us to timely file periodic financial reports with the SEC. On February 1 or about April 16, 2022, the Company entered into a we became in default of such provisions by failing to file our Form 10-K for the period ended December 31, 2021. We also failed to timely file our Form 10-Q for the periods ended March 31, 2022, June 30, 2022, and September 30, 2022. Those periodic reports have subsequently been filed with the SEC and the Company regained compliance with Nasdaq effective February 27, 2023. On March 31, 2023, COMSovereign Holding Corp. (the “ Company ”) filed a notice of late filing on Form 12b-25 with the Securities and Exchange Commission (the “ SEC ”) to report that its Annual Report on Form 10-K for the year ended December 31, 2022 (the “ Form 10-K ”) would not be timely filed. We also failed to timely file our Form 10-Q for the periods ended March 31, 2023, June 30, 2023, and September 30, 2023. On April 18, 2023, the Company received a notice from The Nasdaq Stock Market LLC (“ Nasdaq ”) stating that because the Company has not yet filed the Form 10-K, the Company is no longer 405 square feet of commercial space in Tucson compliance with Nasdaq Listing Rule 5250 (c) (1),

Arizona which requires listed companies to timely file all required periodic financial reports with the SEC. On May 17, 2023, and defaulted 2023, the Company received a notice from Nasdaq stating that because the Company has not yet filed the Form 10-Q for the period ended March 31, 2023, the Company remains not in compliance with respect to the delinquent reports. On August 16, 2023, the Company received a notice from Nasdaq stating that because the Company has not yet filed its Quarterly Report on this lease Form 10-Q for the quarter ended June 30, 2023, the Company is not in compliance with Nasdaq Listing Rules. On October 16, 2023, the Company received notice from the Listing Qualifications Staff (the "Staff") indicating that the Staff had determined to delist the Company's securities unless the Company timely requests a hearing before the Nasdaq Hearings Panel (the "Panel"). The Staff's determination was based upon the Company's continued non-compliance with the filing requirement set forth in Nasdaq Listing Rule 5250(c)(1) because the Company has not filed its Form 10-K for the year ended December 31, 2022, and the Forms 10-Q for the periods ended March 31, 2023 and June 30, 2023. On November 16, 2023, the Company received a notice from Nasdaq stating that because the Company has not yet filed its Quarterly Report on Form 10-Q or for about March 1 the quarter ended September 30, 2022-2023, the Company is not in compliance with Nasdaq Listing Rules. In The Company requested and obtained a hearing before the Panel, as well as a further stay of any addition additional, two action by Nasdaq pending the issuance of a decision by the Panel. There can be no assurance that a stay will be granted our- or subsidiaries that a favorable decision will be obtained. If the Company fails to timely regain compliance with the Nasdaq Listing Rule within any grace period granted by the Nasdaq Hearings Panel, the Company's common stock, warrants and 9.25 % Series A Cumulative Redeemable Perpetual Preferred Stock will be subject to delisting from Nasdaq. There is no assurance that the Company will regain compliance during any grace periods or be able to maintain compliance with Nasdaq's listing requirements in the future. If we are not able to regain compliance during a grace period, Nasdaq will notify us that our common stock, warrants, and 9.25 % Series A Cumulative Redeemable Perpetual Preferred Stock will be delisted from The Nasdaq Capital Market. We have debt obligations that we are in default of their office leases on and are not timely able to satisfy. Our outstanding indebtedness and default defaults on leases debt could have significant effects on our business, such as: • requiring us to dedicate a portion of our cash flows from operations to make lease debt payments, which would reduce availability of our cash flows to fund working capital, capital expenditures, potential acquisitions, execution of our growth strategy and other general corporate purposes; • making us more vulnerable to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our ability to plan for and react to changing conditions; • placing us at a competitive disadvantage compared with our competitors that have not defaulted on lease obligations; and • costs associated with potential lawsuits over leases defaulted debt obligations. We may not be able to generate sufficient cash flows from our operations to repay our debt obligations when they become due and to meet our other cash needs. If we are not able to pay our debt obligations as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness, or selling additional debt or equity securities. We may not be able to sell additional debt or equity securities or sell our assets on favorable terms, if at all, and if we must sell our assets, we may negatively affect our ability to generate revenue. We have defaulted on certain lease obligations and if we are unable to meet our obligations when it becomes due, our business, financial condition and results of operations could be materially harmed. On February 1, 2022, we entered into a 10- year lease for 140, 405 square feet of commercial space in Tucson, Arizona, and defaulted on this lease on or about March 1, 2022. In addition, at least three of our subsidiaries are in default of leases. Our outstanding indebtedness and default on leases could have significant effects on our business, such as: • requiring us to dedicate a portion of our cash flows from operations to make lease payments, which would reduce availability of our cash flows to fund working capital, capital expenditures, potential acquisitions, execution of our growth strategy and other general corporate purposes; • costs associated with potential lawsuits over leases. We may not be able to generate sufficient cash flows from our operations to repay our lease obligations when they becomes- become due and to meet our other cash needs. If we are not able to pay our lease obligations as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness, or selling additional debt or equity securities. We may not be able to sell additional debt or equity securities or sell our assets on favorable terms, if at all, and if we must sell our assets, we may negatively affect our ability to generate revenue. If we are unable to obtain additional funding when needed, our business operations will be harmed, and if we do obtain additional financing, our then- existing stockholders may suffer substantial dilution. As we take steps in the commercialization and marketing of our technologies or respond to potential opportunities and / or adverse events, our working capital needs may change. We anticipate that if our cash and cash equivalents are insufficient to satisfy our liquidity requirements, we will require additional funding to sustain our ongoing operations and to continue our research and development activities. We do not have any contracts or commitments for additional funding, and there can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all, if needed. The inability to obtain additional capital will restrict our ability to grow and may reduce our ability to conduct business operations. If we are unable to obtain additional financing to finance a revised growth plan, we will likely be required to curtail such plans or cease our business operations. Any additional equity financing may involve substantial dilution to our then existing stockholders. Raising capital in the future could cause dilution to our existing stockholders and may restrict our operations or require us to relinquish rights. In the future, we may seek additional capital through a combination of private and public equity offerings, debt financings and collaborations and strategic and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a stockholder. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring debt, making capital expenditures or declaring dividends. If we raise

additional funds through collaboration or strategic alliance arrangements with third parties, we may have to relinquish valuable rights to our future revenue streams or product candidates on terms that are not favorable to us. The occurrence of the COVID-19 pandemic **pandemics has and** may **still** negatively affect our operations depending on the severity and longevity of the pandemic. ~~The COVID-19 pandemic is currently impacting countries, communities, supply chains and markets as well as the global financial markets.~~ A pandemic typically results in social distancing, travel bans and quarantine, and this may limit access to our facilities, customers, management, support staff and professional advisors. These factors, in turn, may not only impact our operations, financial condition and demand for our goods and services but our overall ability to react timely to mitigate the impact of this event. In addition, it may hamper our efforts to comply with our filing obligations with the SEC. At this time, we cannot predict the impact of **pandemics COVID-19** on our ability to obtain financing necessary to fund our working capital and other requirements. Depending on the severity and longevity of ~~the COVID-19 pandemic~~ **pandemics**, our business, customers and stockholders **has and** may **still** experience a significant negative impact. Rapid technological change in our market and / or changes in customer requirements could cause our products to become obsolete or require us to redesign our products, which would have a material adverse effect on our business, operating results and financial condition. The market for our products is characterized by rapid technological change, frequent new product introductions and enhancements, uncertain product life cycles, changing customer demands and evolving industry standards, any of which can render existing products obsolete. We believe that our future success will depend in large part on our ability to develop new and effective products in a timely manner and on a cost- effective basis. As a result of the complexities inherent in our products, major new products and product enhancements can require long development and testing periods, which may result in significant delays in the general availability of new releases or significant problems in the implementation of new releases. In addition, if we or our competitors announce or introduce new products our current or future customers may defer or cancel purchases of our products, which could materially adversely affect our business, operating results and financial condition. Our failure to develop successfully, on a timely and cost- effective basis, new products or new product enhancement that respond to technological change, evolving industry standards or customer requirements would have a material adverse effect on our business, operating results and financial condition. Product development is a long, expensive, and uncertain process, and our failure to develop marketable products in our various markets could adversely affect our business, prospects and financial condition. The development of our technologies and products, particularly for our proposed full- duplex wireless microwave products and our **state-of-the-art in silicon photonic (“ SiP ”)** technologies product lines, is a costly, complex and time -consuming process, and the investment in product development often involves a long wait until a return, if any, is achieved on such investment. We continue to make significant investments in research and development relating to our technologies and products. Investments in new technology and processes are inherently speculative. Technical obstacles and challenges we encounter in our research and development process may result in delays in or abandonment of product commercialization, substantially increase the costs of development and negatively affect our results of operations. We compete with companies that have significantly more resources for their research and development efforts than we have or have received government contracts for the development of new products. A number of our competitors have received considerable funding from government or government -related sources to develop various technologies or products. Most of these organizations and many of our other competitors have greater financial, technical, manufacturing, marketing and sales resources and capabilities than we do. In addition, with respect to products we are developing for certain markets, we anticipate increasing competition as a result of industry consolidation, which has enabled companies to enhance their competitive position and ability to compete against us. These organizations also compete with us to:

- attract parties for acquisitions, joint ventures or other collaborations;
- license proprietary technology that is competitive with the technology we are developing;
- attract funding; and
- attract and hire talented and other qualified personal.

Our competitors may succeed in developing and commercializing products earlier than we do. Our competitors may also develop products or technologies that are superior to those we are developing and render our technology candidates or technologies obsolete or noncompetitive. If we cannot successfully compete with new or existing products and technologies, our marketing and sales will suffer, and our financial condition would be adversely affected. Successful technical development of our products does not guarantee successful commercialization. Even if we successfully complete the technical development for one or all of our product development programs, we may still fail to develop a commercially successful product for a number of reasons, including, among others, the following:

- lack of working capital for the purchase of parts or the costs of manufacturing;
- failure to obtain the required regulatory approvals for their use;
- prohibitive production costs;
- competing products;
- lack of innovation of the product;
- continuing technological changes in the market rendering the product obsolete;
- failure to scale-up our operations sufficiently to satisfy demand for our products;
- ineffective distribution and marketing;
- lack of sufficient cooperation from our partners; and
- demonstrations of the products not aligning with or meeting customer needs.

Although we have sold our DragonWave ~~and Fastback~~ **FastBack** and VNC radios and, **5G solution**, our WASP aerostat systems and various other aerostat **intelligence, surveillance, and reconnaissance (“ ISR ”)** systems and components, our success in the market for the products we develop will depend largely on our ability to prove our products’ capabilities. Upon demonstration, our products may not have the capabilities they were designed to have or that we believed they would have. Furthermore, even if we do successfully demonstrate our products’ capabilities, potential customers may be more comfortable doing business with a larger, more established, more proven company than ours. Moreover, competing products may prevent us from gaining wide market acceptance of our products. We may not achieve significant revenue from new product investments for a number of years, if at all. Product quality problems, defects, errors, or vulnerabilities in our products could harm our reputation and adversely affect our business, financial condition, results of operations and prospects. We may experience quality control problems in our manufacturing or the manufacturing operations of our contract manufacturers. We produce highly complex products that incorporate advanced technologies and that we believe to be state- of- the- art for our industry. Despite our testing prior to their release, our products may contain undetected defects or errors, including design, contract manufacturing or supplier

quality issues, especially when first introduced or when new versions are released. Product defects or errors in the future could affect the performance of our products and could delay the development or release of new products or new versions of products. In addition, undetected quality problems may prompt unexpected product returns and adversely affect warranty costs. Allegations of unsatisfactory performance could cause us to lose revenue or market share, damage our reputation in the market and with customers, and increase our warranty costs and related returns, which could negatively impact our gross margins, cause us to incur substantial costs in redesigning the products, cause us to lose significant customers, subject us to liability for damages or divert our resources from other tasks, any one of which could materially adversely affect our business, financial condition, results of operations and prospects. If we lose our rights to use software, we currently license from third parties, we could be forced to seek alternative technology, which could increase our operating expenses and could adversely affect our ability to compete. We license certain software used in our products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their software, could delay our ability to ship our products while we seek to implement alternative technology offered by other sources and could require significant unplanned investments on our part if we are forced to develop alternative technology internally. In addition, alternative technology may not be available to us on commercially reasonable terms from other sources. In the future, it may be necessary or desirable to obtain other third-party licenses relating to one or more of our products or relating to current or future technologies to enhance our product offerings. There is a risk that we will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, or at all. If sufficient radio spectrum is not allocated for use by our products or if we fail to obtain regulatory approval for our products, our ability to market our products may be restricted. Radio communications are subject to significant regulation in North America, Europe, India and other jurisdictions in which we sell our products. Generally, our products must conform to a variety of national and international standards and requirements established to avoid interference among users of radio frequencies and to permit the interconnections of telecommunications equipment. In addition, our products are affected by the allocation and licensing (by auction or other means) of radio spectrum by governmental authorities. Such governmental authorities may not allocate or license sufficient radio spectrum for use by prospective customers of our products. Historically, in many developed countries, the lack of availability of commercial radio spectrum or the failure by governments to license that spectrum has inhibited the growth of wireless telecommunications networks. In certain cases, in order to sell our products in any given jurisdiction, we must obtain regulatory approval for our products. Each jurisdiction in which we market our products has its own rules relating to such approval. Products that support emerging wireless telecommunications services can be marketed in a jurisdiction only if permitted by suitable radio spectrum allocations and regulations, and the process of establishing new regulations is complex and lengthy. Any failure by regulatory authorities to allocate suitable and sufficient radio spectrum to potential customers in a timely manner could adversely and materially impact demand for our products and may result in the delay or loss of potential orders for our products. In addition, any failure by us to obtain or maintain the proper regulatory approvals for our products could have a material adverse effect on our business, financial condition and results of operations. We are dependent upon our resellers in certain jurisdictions to provide localized support and other local services which assist us in avoiding certain costs and investments. By selling our products in certain markets through resellers, we are able to avoid certain costs relating to operating in those markets, including but not limited to local support costs, costs of maintaining a local legal entity, administration costs and logistics. If we choose or are required to sell direct in these markets (due to customer preference, termination of a reseller relationship or other reasons), the cost advantages described will no longer be available to us, which could result in an increase in our operating costs. If critical components or raw materials used to manufacture our products become scarce or unavailable, then we may incur delays in manufacturing and delivery of our products, which could damage our business. We and the contract manufacturers of our products rely on a limited number of suppliers for the raw materials and hardware components necessary to manufacture our products. We do not have any long-term agreements with any of our suppliers that obligate them to continue to sell their materials or products to us. Our reliance on these suppliers involves significant risks and uncertainties as to whether our suppliers will provide an adequate supply of required raw materials, component parts, and products. Lead-times for limited-source materials and components can be as long as ~~six~~ **twelve** months, vary significantly and depend on factors such as the specific supplier, contract terms and demand for a component at a given time. From time to time, shortages in allocations of components have resulted in delays in filling orders. Shortages and delays in obtaining components in the future could impede our ability to meet customer orders. In addition, as the demand for these components and other products increases, it is likely that the price for these components will increase. If we or our contract manufacturers are unable to obtain the raw materials, including certain electrical components used in our ~~telecom-~~ products or the helium gas used in our aerostat products to provide lift, and component parts in the quantities and the quality we require on a timely basis and at acceptable prices, we may not be able to deliver our products on a timely or cost-effective basis, which could cause our customers to terminate their contracts with us, increase our costs and materially harm our business, results of operations, and financial condition. Furthermore, if our suppliers or the suppliers of our contract manufacturers are unable or unwilling to supply the raw materials or components, we or our contract manufacturers require, we will be forced to locate alternative suppliers and possibly redesign our products to accommodate components from alternative suppliers. This would likely cause significant delays in manufacturing and shipping our products to customers and could materially harm our business. Our dependence and exposure on component suppliers are heightened when we introduce new products. New products frequently include components that we do not use in other product lines. When we introduce new products, we must secure reliable sources of supply for those products at volumes that will be dictated by end-customer demand. Demand is often difficult to predict until the new product is better established. Constraints in our supply chain can slow the progress of new product rollouts, adversely affecting our business, results of operations and financial condition. Our future profitability may depend on achieving cost reductions from increasing manufacturing quantities of our products. Failing to achieve such reductions in manufacturing costs could materially affect our business. We have limited

experience manufacturing certain of our products, particularly our tethered aerostat and drone products and our DragonWave ; ~~and Fastback FastBack ; and VNC~~ microwave radio products, in high volumes and do not know whether or when we will be able to develop efficient, low- cost manufacturing capabilities and processes that will enable us to manufacture our products in large quantities while maintaining our quality, speed, price, engineering and design standards. Our inability to develop such manufacturing processes and capabilities could have a material adverse effect on our business, financial condition, and results of operations. We expect our suppliers to experience an increase in demand for their products, and we may not have reliable access to supplies that we require and may not be able to purchase such materials or components at cost effective prices. There is no assurance that we will obtain any material labor and machinery cost reductions associated with higher production levels, and failure to achieve these cost reductions could adversely impact our business and financial results. We rely primarily upon ~~two outsourced manufacturers, one outsourced manufacturer each~~ for manufacturing our ~~Fastback FastBack radios~~ and ~~one for manufacturing~~ DragonWave radios and related components and we are exposed to the risk that these two manufacturers will not be able to satisfy our manufacturing needs on a timely basis. We do not have internal manufacturing capabilities to mass produce our ~~Fastback FastBack~~ and DragonWave radios and related components and we rely upon ~~two a single manufacturer~~ ~~manufacturers~~, SMC for ~~Fastback FastBack~~ and Benchmark for DragonWave, to manufacture such products. See “ Description of the Business — Manufacturing, Suppliers and Vendors. ” Our ability to ship products to our customers could be delayed or interrupted as a result of a variety of factors relating to our outsourced manufacturer, including: • our outsourced manufacturer not being obligated to manufacture our products on a long- term basis in any specific quantity or at any specific price; • early termination of, or failure to renew, contractual arrangements; • our failure to effectively manage our outsourced manufacturer relationship; • our outsourced manufacturer experiencing delays, disruptions, or quality control problems in its manufacturing operations; • lead- times for required materials and components varying significantly and being dependent on factors such as the specific supplier, contract terms and the demand for each component at a given time; • underestimating our requirements, resulting in our outsourced manufacturer having inadequate materials and components required to produce our products, or overestimating our requirements, resulting in charges assessed by the outsourced manufacturers or liabilities for excess inventory, each of which could negatively affect our gross margins; • the possible absence of adequate capacity and reduced control over component availability, quality assurances, delivery schedules, manufacturing yields and costs; and • our outsourced manufacturer experiencing financial instability which could affect its ability to manufacture or deliver our products. Although we believe that our outsourced manufacturers have sufficient economic incentive to perform our manufacturing, the resources devoted to these activities by it are not within our control, and there can be no assurance that manufacturing problems will not occur in the future. Insufficient supply or an interruption or stoppage of supply from our outsourced manufacturer or our inability to obtain additional manufacturers when and if needed, could have a material adverse effect on our business, results of operations and financial condition. If any of our outsourced manufacturers are unable or unwilling to continue manufacturing our products in required volumes and quality levels, we will have to identify, qualify, select and implement acceptable alternative manufacturers, which would likely be time consuming and costly. In addition, an alternate source may not be available to us or may not be able to satisfy our production requirements at commercially reasonable prices and quality. Therefore, any significant interruption in manufacturing would result in us being unable to deliver the affected products to meet our customer orders, which could have a material adverse effect on our business, results of operations and financial condition. Our potential customers for our radios and our aerostat and drone products are likely to include U. S. Government or Government- related entities that are subject to appropriations by Congress. Reduced funding for defense procurement and research and development programs would likely adversely impact our ability to generate revenues. We anticipate that the majority of our revenue to be derived from our aerostat ~~products- product~~ and a substantial ~~percentage of our revenue to be derived from our~~ radio product sales, at least in the foreseeable future, will come from U. S. Government and Government- related entities, including the U. S. Department of Defense and other departments and agencies. Government programs in which we may seek to participate, and contracts for tethered aerostats and drones or microwave radios, must compete with other programs for consideration during Congress’ budget and appropriations hearings, and may be affected by changes not only in political power and appointments but also general economic conditions and other factors beyond our control. A government closure based on a failure of Congress to agree on federal appropriations or the uncertainty surrounding a continuing resolution may result in termination or delay of federal funding opportunities we are pursuing. Reductions, extensions, or terminations in a program in which we are seeking to participate, or overall defense or other spending could adversely affect our ability to generate revenues and realize any profits. We cannot predict whether potential changes in security, defense, communications, and intelligence priorities will afford opportunities for our business in terms of research and development or product contracts, but any reduction in government spending on such programs could negatively impact our ability to generate revenues. In addition, our ability to participate in U. S. Government programs may be affected by the adoption of new laws or regulations relating to government contracting or changes in existing laws or regulations, changes in political or public support for security and defense programs, and uncertainties associated with the current global threat environment and other geo- political matters. Opportunities for expanded uses of our drone products in the United States are limited by federal laws and rulemaking. The drone products we design and manufacture for use within the United States are limited by federal laws and rulemaking, including the commercial drone regulations (Part 107) adopted by the U. S. Federal Aviation Administration (the “ FAA ”) at the end of August 2016. Our ability to design, manufacture and release new products for use in the United States will be limited by federal law and regulations, which can be slow and subject to delays based on political turnover and disruptions in federal funding, among other reasons. The Part 107 rules limit the altitude, available airspace and weight of a drone and also the certification of remote pilots that can operate a drone for commercial purposes in the United States. We, or our customers, may seek waivers from the Part 107 rules for expanded operations; however, the processing of waivers is lengthy and uncertain. Political limits on the ability to issue new regulations could slow the growth of

the aerostat and tethered drone market. Some of our products may be subject to governmental regulations pertaining to exportation, which may limit the markets in which we can sell some of our products. International sales of certain of our products, including our tethered aerostat and drone products, may be subject to U. S. laws, regulations and policies like the International Traffic in Arms Regulations (“ ITAR ”) and other export laws and regulations and may be subject to first obtaining licenses, clearances or authorizations from various regulatory entities. If we are not allowed to export our products or the clearance process is burdensome, our ability to generate revenue would be adversely affected. The failure to comply with any of these regulations could adversely affect our ability to conduct our business and generate revenues, as well as increase our operating costs. Economic conditions in the U. S. and worldwide could adversely affect our revenues. Our revenues and operating results depend on the overall demand for our technologies and services. If the U. S. and worldwide economies weaken, either alone or in tandem with other factors beyond our control (including war, political unrest, **pandemic-pandemics**, **natural disasters**, shifts in market demand for our services, actions by competitors or other causes), we may not be able to maintain or expand the growth of our revenue. Sales to customers outside the United States or with international operations expose us to risks inherent in international sales. During the years ended December 31, **2022 and 2021** and **2020**, approximately **29.7%** and **18.12%**, respectively, of our revenues were derived from sales outside of **North America** the United States. While our near- term focus is on the North American telecom and infrastructure and service market, a key element of our growth strategy is to expand our worldwide customer base and our international operations, initially through agreements with third-party resellers, distributors and other partners that can market and sell our products in foreign jurisdictions. Supporting our distributors operating in international markets may require significant resources and management attention and may subject us to regulatory, economic, and political risks that are different from those in the United States. We have limited operating experience in some international markets, and we cannot assure you that our expansion efforts into other international markets will be successful. Our experience in the United States and other international markets in which we already have a presence may not be relevant to our ability to expand in other international markets. Our international expansion efforts may not be successful in creating further demand for our products outside of the United States or in effectively selling our products in the international markets we enter. In addition, we face risks in doing business internationally that could adversely affect our business, including:

- the need and expense to localize and adapt our products for specific countries, including translation into foreign languages, and ensuring that our products enable our customers to comply with local telecommunications industry laws and regulations, some of which are frequently changing;
- data privacy laws which require that customer data be stored and processed in a designated territory;
- difficulties in staffing and managing foreign operations, including employee laws and regulations;
- different pricing environments, longer sales cycles and longer accounts receivable payment cycles, and collections issues;
- new and different sources of competition;
- weaker protection for intellectual property and other legal rights than in the United States and practical difficulties in enforcing intellectual property and other rights outside of the United States;
- laws and business practices favoring local competitors;
- compliance challenges related to the complexity of multiple, conflicting, and changing governmental laws and regulations, including employment, tax, privacy and data protection, and anti- bribery laws and regulations;
- increased financial accounting and reporting burdens and complexities;
- restrictions on the transfer of funds;
- our ability to repatriate funds from abroad without adverse tax consequences;
- adverse tax consequences, including the potential for required withholding taxes;
- fluctuations in the exchange rates of foreign currency in which our foreign revenues or expenses may be denominated;
- changes in trade relations and trade policy, including the status of trade relations between the United States and China or Russia, and the implementation of or changes to trade sanctions, tariffs, and embargoes;
- public health crises, such as epidemics and pandemics, including COVID- 19; and
- unstable regional and economic political conditions in the markets in which we operate. Any of the foregoing factors could have a material adverse effect on our business, results of operations, and financial condition. Some of our business partners also have international operations and are subject to the risks described above. Even if we are able to successfully manage the risks of international operations, our business may be adversely affected if our business partners are not able to successfully manage these risks, which could adversely affect our business. Challenging global economic conditions, ongoing geopolitical and trade uncertainty and ongoing local and regional conflicts may adversely impact the demand, cost and pricing for our products and services, as well as limit our ability to grow. The challenging global economic conditions due to the pandemic, downturn in the global economy, political unrest and uncertainty, labor and supply shortages, ~~increasing~~ inflation and rising interest rates, and numerous ongoing local and regional conflicts, ~~of which the ongoing military conflict between the Ukraine and Russia are of particular significance,~~ may have adverse, wide- ranging effects on demand for our products and for the products of our customers. In addition, the geopolitical risks and trade frictions, including trade restrictions, enhanced sanctions measures and increased safeguards for national security purposes, can impact global market conditions and continue to be challenging for global supply chains in general and information and communication technologies supply chains in particular. This could cause operators and other customers to postpone investments or initiate other cost- cutting measures to maintain or improve their financial position. This could also result in significantly reduced expenditures for our products and services, in which case our operating results (EBIT) would suffer. If demand for our products and services were to fall, we may experience material adverse effects on our revenues, cash flow and value of our assets and we could incur increased operating losses. Furthermore, if demand is significantly weaker or more volatile than expected, our borrowing opportunities and costs as well as the trading price of our common stock could be adversely impacted. Should global economic conditions fail to improve or should they worsen or should political unrest and uncertainty, labor and supply shortages, **natural disasters**, increasing inflation and rising interest rates, or geopolitical problems or trade frictions fail to improve or should they worsen, other business risks we face could intensify and could also negatively impact our business prospects of operators and other customers. All of the above may have a material and potentially lasting adverse impact on our product development, supply chains, sales and operating results. Such adverse impacts may include for example:
 - Reduced demand for products and services, resulting in increased price competition or deferrals of

purchases, with lower revenues not fully compensated through reduced costs; • Reduced or loss of sales in foreign markets; • Excess and obsolete inventories and excess manufacturing capacity; • Increased trade restrictions, including economic sanctions and export controls, tariffs and increased costs that may not be recoverable; • Financial difficulties or failures among ~~ours~~ **our** suppliers; • Increased demand for customer finance, difficulties in collection of accounts receivable and increased risk of counter party failures; • Impairment losses related to our intangible assets as a result of lower forecasted sales of certain products; • Increased difficulties in forecasting sales and financial results as well as increased volatility in our reported results; • Increased difficulties in forecasting sales and financial results as well as increased volatility in our reported results; and • End user demand could also be adversely affected by reduced consumer spending on technology, changed operator pricing, security breaches and trust issues. **Ongoing local and regional conflicts and wars may adversely impact the demand, cost and pricing for our products and services, as well as limit our ability to grow. In February 2022, Russia invaded Ukraine, an escalation of the ongoing Russo- Ukrainian War conflict. In October 2023, Hamas militants infiltrated Israel's southern border from the Gaza Strip and conducted a series of terror attacks on civilian and military targets. The intensity and duration of these regional wars is difficult to predict, and so are such wars economic implications on the Company's business and operations. To the extent that any of these negative developments do occur, they may have an adverse effect on the Company's business, results of operations and its ability to raise additional funds. As of December 31, 2022, the Company considered the impact of these regional wars on its business and operational assumptions and estimates and determined there were no material adverse impacts on the Company's consolidated results of operations and financial position as of December 31, 2023. On October 7, 2023, Hamas militants infiltrated Israel's southern border from the Gaza Strip and conducted a series of terror attacks on civilian and military targets. The intensity and duration of Israel's current war against Hamas is difficult to predict, and as are such war's economic implications on the Company's business and operations. To the extent that any of these negative developments do occur, they may have an adverse effect on the Company's business, results of operations and its ability to raise additional funds.** We intend to pursue strategic transactions in the future, which could be difficult to implement, disrupt our business or change our business profile significantly. We intend to continue to pursue potential strategic transactions, which could involve acquisitions of businesses or assets, joint ventures or investments in businesses, products or technologies that expand, complement, or otherwise relate to our current or future business. We also intend to consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. However, we may be unable to find suitable acquisition candidates or other suitable partners or products or may be unable to complete acquisitions or strategic transactions on favorable terms, if at all. For example, while the historical financial and operating performance or an acquisition or joint venture partner are among the criteria, we evaluate in determining which acquisition or joint venture targets to pursue, there can be no assurance that any business or assets we acquire or contract with will continue to perform in accordance with past practices or will achieve financial or operating results that are consistent with or exceed past results. Any such failure could adversely affect our business, financial condition, or results of operations. In addition, any completed acquisition or other transaction may not result in the intended benefits for other reasons and any completed acquisition or other transaction will create or involve a number of other risks such as, among others: • the need to integrate and manage the businesses and products acquired with our own business and products; • additional demands on our resources, systems, procedures, and controls; • disruption of our ongoing business; • diversion of management's attention from other business concerns; • substantial investment of funds or financings by issuance of debt or equity securities that could result in dilution to our stockholders, impact our ability to service our debt within scheduled repayment terms or include covenants or other restrictions that would impede our ability to manage our operations; • substantial investment with respect to technology transfers and operational integration; and • the acquisition or disposition of product lines or businesses. Also, such activities could result in one-time charges and expenses and have the potential to either dilute the interests of existing stockholders or result in the issuance of or assumption of debt. Such acquisitions, investments, joint ventures, or other business collaborations may involve significant commitments of financial and other resources of our ~~company~~ **Company**. Any such activity may not be successful in generating revenue, income or other returns to us, and the resources committed to such activities will not be available to us for other purposes. Moreover, if we are unable to access capital markets on acceptable terms or at all, we may not be able to consummate acquisitions or may have to do so based on a less than optimal capital structure. Our inability to (i) take advantage of growth opportunities for our business or for our products or (ii) address risks associated with acquisitions or investments in businesses may negatively affect our operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment or charges to earnings associated with any acquisition or investment activity may materially reduce our earnings. These future acquisitions or joint ventures may not result in their anticipated benefits, and we may not be able to properly integrate acquired products, technologies or businesses with our existing products and operations or combine personnel and cultures. Failure to do so could deprive us of the intended benefits of those acquisitions. We may be unable to successfully integrate our ~~recent and future~~ acquisitions, which could adversely affect our business, financial condition, results of operations and prospects. ~~In November 2019, we acquired the business and operations of ComSovereign, which itself had acquired five companies in 2019, including DragonWave, InduraPower Lextrum, Silver Bullet, and VEO. In 2020, we acquired the business and operations of Sovereign Plastics and VNC. In 2021, we acquired the business and operations of Fastback, Innovation Digital, SAGUNA, SKS, RF Engineering and RVision. The operation and management of all of the recent acquisitions, or any of our future acquisitions, may adversely affect our existing results of operations or we may not be able to effectively manage any growth resulting from these transactions. Before we acquired them, these companies operated independently of one another. Until we establish centralized financial, management information and other administrative systems, we will rely on the separate systems of these companies, including their financial reporting systems.~~ Our success will depend, in part, on the extent to which we are able to merge these functions, eliminate the unnecessary duplication of other

functions and otherwise integrate these companies (and any additional businesses with which we may combine in the future) into a cohesive, efficient enterprise. This integration process may entail significant costs and delays could occur. Our failure to integrate the operations of these companies successfully could adversely affect our business, financial condition, results of operations and prospects. To the extent that any acquisition results in additional goodwill, it will reduce our tangible net worth, which might adversely affect our business, financial condition, results of operations and prospects, as well as our credit and bonding capacity. If we fail to protect our intellectual property rights, we could lose our ability to compete in the marketplace. Our intellectual property and proprietary rights are important to our ability to remain competitive and for the success of our products and our business. Patent protection can be limited and not all intellectual property is or can be patented. We rely on a combination of patent, trademark, copyright, and trade secret laws as well as confidentiality agreements and procedures, non-competition agreements and other contractual provisions to protect our intellectual property, other proprietary rights, and our brand. We have little protection when we must rely on trade secrets and nondisclosure agreements. Our intellectual property rights may be challenged, invalidated, or circumvented by third parties. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by employees or competitors. Furthermore, our competitors may independently develop technologies and products that are substantially equivalent or superior to our technologies and / or products, which could result in decreased revenues for us. Moreover, the laws of foreign countries may not protect our intellectual property rights to the same extent as the laws of the U. S. Litigation may be necessary to enforce our intellectual property rights, which could result in substantial costs to us and substantial diversion of management' s attention. If we do not adequately protect our intellectual property, our competitors could use it to enhance their products. Our inability to adequately protect our intellectual property rights could adversely affect our business and financial condition and the value of our brand and other intangible assets. If we fail to protect our intellectual property rights, our ability to pursue the development of our technologies and products would be negatively affected. Our success will depend in part on our ability to obtain patents and maintain adequate protection of our intellectual property and technologies. Some foreign countries lack rules and methods for defending intellectual property rights and do not protect proprietary rights to the same extent as the United States. We have numerous issued patents ~~and have filed several additional patent applications,~~ outside the United States, and many companies have had difficulty protecting their proprietary rights in foreign countries. We may not be able to prevent misappropriation of our proprietary rights. The patent process is subject to numerous risks and uncertainties and there can be no assurance that we will be successful in protecting our technologies by obtaining and enforcing patents. These risks and uncertainties include the following: • patents that may be issued or licensed may be challenged, invalidated, or circumvented, or otherwise may not provide any competitive advantage; • our competitors, many of which have substantially greater resources than us and many of which have made significant investments in competing technologies, may seek, or may already have obtained, patents that will limit, interfere with, or eliminate our ability to make, use, and license our technologies either in the United States or in international markets; • there may be significant pressure on the United States government and other international governmental bodies to limit the scope of patent protection both inside and outside the United States for technologies that prove successful as a matter of public policy regarding security concerns; • countries other than the United States may have less restrictive patent laws than those upheld by United States courts, allowing foreign competitors the ability to exploit these laws to create, develop, and market competing products. Moreover, any patents issued to us may not provide us with meaningful protection, or others may challenge, circumvent, or narrow our patents. Third parties may also independently develop technologies similar to ours or design around any patents on our technologies. In addition, the United States Patent and Trademark Office and patent offices in other jurisdictions have often required that patent applications concerning software inventions be limited or narrowed substantially to cover only the specific innovations exemplified in the patent application, thereby limiting the scope of protection against competitive challenges. Thus, even if we or our licensors are able to obtain patents, the patents may be substantially narrower than anticipated. Our success depends on our patents, patent applications, patents that may be licensed exclusively to us, and other patents to which we may obtain assignment or licenses. We may not be aware, however, of all patents, published applications, or published literature that may affect our business by blocking our ability to commercialize our products, preventing the patentability of products or services by us or our licensors, or covering the same or similar technologies that may invalidate our patents, limit the scope of our future patent claims, or adversely affect our ability to market our products and services. In addition to patents, we rely on a combination of trade secrets, confidentiality, nondisclosure and other contractual provisions, and security measures to protect our confidential and proprietary information. These measures may not adequately protect our trade secrets or other proprietary information. If they do not adequately protect our rights, third parties could use our technology, and we could lose any competitive advantage we may have. In addition, others may independently develop similar proprietary information or techniques or otherwise gain access to our trade secrets, which could impair any competitive advantage we may have. Patent protection and other intellectual property protection are crucial to the success of our business and prospects, and there is a substantial risk that such protections will prove inadequate. Other companies may claim that we infringe their intellectual property, which could materially increase our costs and harm our ability to generate future revenue and profit. We do not believe our product technologies infringe the proprietary rights of any third- party but claims of infringement are becoming increasingly common and third parties may assert infringement claims against us. It may be difficult or impossible to identify, prior to receipt of notice from a third- party, the trade secrets, patent position or other intellectual property rights of a third- party, either in the United States or in foreign jurisdictions. Any such assertion may result in litigation or may require us to obtain a license for or otherwise restrict our use of the intellectual property rights of third parties. If we are required to obtain licenses to use any third- party technology, we would have to pay royalties, which may significantly reduce any profit on our products. In addition, any such litigation could be expensive and disruptive to our ability to generate revenue or enter new market opportunities. If any of our products are found to infringe other parties' proprietary rights and we are unable to come to terms regarding a license with such parties, we may be forced to modify our products to make them non- infringing or

to cease production of such products altogether. Security breaches, including cybersecurity incidents and other disruptions could compromise our information, expose us to liability and harm our reputation and business. In the ordinary course of our business, we collect and store sensitive data, including intellectual property, personal information, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers and employees in our data centers and on our networks. The secure maintenance and transmission of this information is critical to our operations and business strategy. We rely on commercially available systems, software, tools and monitoring to provide security for processing, transmission, and storage of confidential information. Computer hackers may attempt to penetrate our computer systems and, if successful, misappropriate personal or confidential business information. In addition, an associate, contractor, or other third- party with whom we do business may attempt to circumvent our security measures to obtain such information and may purposefully or inadvertently cause a breach involving such information. Despite the security measures we have in place and any additional measures we may implement in the future to safeguard our systems and to mitigate potential security risks, our facilities, and systems, and those of our third- party service providers, could be vulnerable to security breaches. Any such compromise of our data security and access, public disclosure, or loss of personal or confidential business information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption of our operations, damage to our reputation, loss of our customers' willingness to transact business with us, and subject us to additional costs and liabilities which could materially adversely affect our business. We do not carry insurance against all potential risks and losses, and our insurance might be inadequate to cover all of our losses or liabilities or may not be available on commercially reasonable terms. We have limited, and potentially insufficient, insurance coverage for expenses and losses that may arise in connection with the quality of our products, property damage, work- related accidents and occupational illnesses, natural disasters, and environmental contamination. In addition, we have no insurance coverage for loss of profits or other losses caused by the death or incapacitation of our senior management. As a result, losses or liabilities arising from these or other such events could increase our costs and could have a material adverse effect on our business, financial condition, results of operations and prospects. We intend to reevaluate the purchase of insurance, policy limits and terms annually or when circumstances warrant from time to time. Future insurance coverage for our industry could increase in cost and may include higher deductibles or retentions than we could obtain now. In addition, some forms of insurance may become unavailable in the future or unavailable on terms that we believe are economically acceptable. No assurance can be given that we will be able to maintain insurance in the future at rates that we consider reasonable, and we may elect to continue to maintain minimal or no insurance coverage. We may not be able to secure additional insurance or bonding that might be required by new governmental regulations. This may cause us to restrict our operations in certain jurisdictions, which might severely impact our financial position. The occurrence of a significant event, not fully insured against, could have a material adverse effect on our financial condition and results of operations. The nature of our business involves significant risks and uncertainties that may not be covered by insurance or indemnity. We develop and sell products where insurance or indemnification may not be available, including: • designing and developing products using advanced and unproven technologies, **microwave radio technology**, and tethered aerostats and drones in intelligence and homeland security applications that are intended to operate in high demand, high risk situations; and • designing and developing products to collect, distribute and analyze various types of information. Failure of certain of our products could result in loss of life or property damage. Certain products may raise questions with respect to issues of civil liberties, intellectual property, trespass, conversion, and similar concepts, which may raise new legal issues. Indemnification to cover potential claims or liabilities resulting from a failure of technologies developed or deployed may be available in certain circumstances, but not in others. We are not able to maintain insurance to protect against all operational risks and uncertainties. Substantial claims resulting from an accident, failure of our product, or liability arising from our products in excess of any indemnity or insurance coverage (or for which indemnity or insurance is not available or was not obtained) could harm our financial condition, cash flows, and operating results. Any accident, even if fully covered or insured, could negatively affect our reputation among our customers and the public, and make it more difficult for us to compete effectively. There may be health and safety risks relating to wireless products. Our wireless communications products emit electromagnetic radiation. In recent years, there has been publicity regarding, and increased public attention with respect to, the potentially negative direct and indirect health and safety effects of electromagnetic emissions from cellular telephones and other wireless equipment sources, including allegations that these emissions may cause cancer. Health and safety issues related to our products may arise that could lead to litigation or other actions against us or to additional regulation of our products. We may be required to modify our technology and may not be able to do so. We may also be required to pay damages that may reduce our profitability and adversely affect our financial condition. Even if these concerns prove to be baseless, the resulting negative publicity could affect our ability to market our products and, in turn, could harm our business and results of operations. If a successful product liability claim were made against us, our business could be seriously harmed. Our agreements with our customers typically, although not always, contain provisions designed to limit our exposure to potential product liability claims. Despite this, it is possible that these limitations of liability provisions may not be effective as a result of existing or future laws or unfavorable judicial decisions. We have not experienced a material product liability claim to date; however, the sale and support of our products may entail the risk of those claims, which are likely to be substantial in light of the use of our products in critical applications. A successful product liability claim could result in significant monetary liability to us and could seriously harm our business. Misuse of our drone products or unmanned products manufactured by other companies could result in injury, damage and / or negative press that could depress the market for unmanned systems. If any of our drone products are misused by our customers or their designees, or by the operators of other unmanned systems, in violation of the new commercial drone regulations (Part 107) adopted by the FAA or other federal, state or local regulations, such misuse could result in injuries to the operators or bystanders, damage to property and / or negative press that could result in a reduction in the market for aerostats or tethered drones in the future. The FAA, the

press and the public have been closely monitoring the growth of unmanned systems in the United States. For instance, the FAA regularly publishes reports of drone sightings and reported drone strikes of manned aircraft. One or more incidents involving unmanned systems that results in injury or death of individuals, or damaged property could result in negative press that could put at risk current and future growth. Our tethered aerostat and drone business and operations are subject to the risks of hurricanes, tropical storms, and other natural disasters. The corporate headquarters and manufacturing operations of our tethered aerostat and drone business operations are located in Jacksonville, Florida, where major hurricanes, tropical storms, and other severe weather conditions have occurred. A significant natural disaster, such as a hurricane, tropical storm, or other severe weather storm could severely affect our ability to conduct normal business operations for that product line, and as a result, our future operating results could be materially and adversely affected. If we are unable to recruit and retain key management, technical and sales personnel, our business would be negatively affected. For our business to be successful, we need to attract and retain highly- qualified technical, management and sales personnel. The failure to recruit additional key personnel when needed with specific qualifications and on acceptable terms or to retain good relationships with our partners might impede our ability to continue to develop, commercialize and sell our products. To the extent the demand for skilled personnel exceeds supply, we could experience higher labor, recruiting and training costs to attract and retain such employees. **We have a limited number of key management, technical and sales personnel, and we rely heavily on them.** The loss of any members of our management, ~~technical or sales team-teams~~ may also delay or impair achievement of our business objectives and result in business disruptions due to the time needed for their replacements to be recruited and become familiar with our business. We face competition for qualified personnel from other companies with significantly more resources available to them and thus may not be able to attract the level of personnel needed for our business to succeed. If we are unable to recruit and retain employees, our business would be negatively affected. For our business to be successful, we need to attract and retain a sufficient number of employees. We have lost a significant ~~amount-~~**number** of employees in 2022. The failure to recruit and retain sufficient employees when needed with specific qualifications and on acceptable terms or to retain good relationships with our employees might impede our ability to continue to develop, commercialize and sell our products. To the extent the demand for employees exceeds supply, we could experience higher labor, recruiting and training costs to attract and retain such employees. The loss of employees may also delay or impair achievement of our business objectives and result in business disruptions due to the time needed for their replacements to be recruited and become familiar with our business. We face competition for employees from other companies with significantly more resources available to them and thus may not be able to attract the level of employees for our business to succeed. If we are required to reclassify independent contractors as employees, we may incur additional costs and taxes which could adversely affect our business, financial condition, results of operations and prospects. We engage a ~~significant~~ number of independent contractors in our operations, particularly in our research and development efforts, for whom we do not pay or withhold any federal, state or provincial employment tax. There are several different tests used in determining whether an individual is an employee, or an independent contractor and such tests generally take into account multiple factors. There can be no assurance that legislative, judicial, or regulatory (including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change, or at least challenge, the classification of our independent contractors. Although we believe we have properly classified our independent contractors, the U. S. Internal Revenue Service or other U. S. federal or state authorities or similar authorities of a foreign government may determine that we have misclassified our independent contractors for employment tax or other purposes and, as a result, seek additional taxes from us or attempt to impose fines and penalties. If we are required to pay employer taxes or pay federal withholding with respect to prior periods with respect to or on behalf of our independent contractors, our operating costs will increase, which could adversely impact our business, financial condition, results of operations and prospects. We have identified material weaknesses in our internal control over financial reporting, and we cannot assure you that additional material weaknesses or significant deficiencies will not occur in the future. If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results or prevent fraud, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price. We have historically had a small internal accounting and finance staff with limited financial accounting systems. This lack of adequate accounting resources has resulted in the identification of material weaknesses in our internal controls over financial reporting. 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 financial statements will not be prevented or detected on a timely basis. In connection with the audit of our financial statements for the fiscal year ended December 31, 2021, our management team identified material weaknesses, **which continued to exist as of December 31, 2022,** relating to, among other matters: • ~~While improvements were made in the segregation of duties and controls over cash and accounts payable,~~ we did not effectively segregate certain accounting duties due to the small size of our accounting staff; • a lack of timely reconciliations of the account balances ~~affected by the improperly recorded or omitted transactions;~~ and • there is a lack of documented and tested internal controls to meet the requirements of Section 404 (a) of the Sarbanes- Oxley Act of 2002. **Upon** ~~We have taken steps, and~~ **an plan to continue improvement of our liquidity challenges, we intend** to take additional steps, to seek to remediate these material weaknesses and to improve our financial reporting systems and to implement new policies, procedures, and controls. If we do not successfully remediate the material weaknesses described above, or if other material weaknesses or other deficiencies arise in the future, we may be unable to accurately report our financial results on a timely basis, which could cause our reported financial results to be materially misstated and require restatement which could result in the loss of investor confidence, delisting and / or cause the market price of our common stock to decline. Risks Relating to our Series A Preferred Stock Our Series A Preferred Stock price may be volatile, which could result in substantial losses to ~~Holder~~ **holders** and litigation. In addition to changes to market prices based on our results of operations and the factors discussed elsewhere in this “Risk Factors” section, the market price of and trading volume for our Series A Preferred Stock may change for a variety of other reasons, not

necessarily related to our actual operating performance. The capital markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Series A Preferred Stock. In addition, the average daily trading volume of the securities of small companies can be very low, which may contribute to future volatility. Factors that could cause the market price of our Series A Preferred Stock to fluctuate significantly include: ● the results of operating and financial performance and prospects of other companies in our industry; ● actual or anticipated variations in operating results of us and our competitors; ● strategic actions by us or our competitors, such as acquisitions or restructurings; ● announcements of innovations, increased service capabilities, new or terminated customers or new, amended or terminated contracts by our competitors; ● the public's reaction to our press releases, other public announcements, and filings with the SEC; ● lack of securities analyst coverage or speculation in the press or investment community about us or market opportunities in the telecommunications services and staffing industry; ● changes in government policies in the United States and, as our international business increases, in other foreign countries; ● changes in earnings estimates or recommendations by securities or research analysts who track our common stock or failure of our actual results of operations to meet those expectations; ● market and industry perception of our success, or lack thereof, in pursuing our growth strategy; ● changes in accounting standards, policies, guidance, interpretations, or principles; ● any lawsuit involving us, our services or our products; ● arrival and departure of key personnel; ● sales of common stock by us, our investors or members of our management team; ● changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural or man-made disasters; ● prevailing interest rates, increases in which may have an adverse effect on the market price of our Series A Preferred Stock; ● trading prices of similar securities; ● our history of ~~timely~~ **dividend payments and the suspension of** dividend payments; ● the annual yield from dividends on our Series A Preferred Stock as compared to yields on other financial instruments; ● general economic and financial market conditions; ● government action or regulation; ● changes in financial estimates or recommendations by securities analysts with respect to us or our competitors in our industry; and ● our issuance of additional preferred equity or debt securities. Any of these factors, as well as broader market and industry factors, may result in large and sudden changes in the trading volume of our Series A Preferred Stock and could seriously harm the market price of our Series A Preferred Stock, regardless of our operating performance. In addition, following periods of volatility in the market price of a company's securities, stockholders often institute securities class action litigation against that company. Our involvement in any class action suit or other legal proceeding could divert our senior management's attention and could adversely affect our business, financial condition, results of operations and prospects. Our Series A Preferred Stock was ~~only recently~~ **issued on October 27, 2021**, has no stated maturity date, and does not have an established trading market, which may negatively affect its market value and your ability to transfer or sell your shares. Our Series A Preferred Stock has been listed and trading on The Nasdaq Capital Market only since October 27, 2021, and has a limited history. There is no guarantee that our Series A Preferred Stock will remain listed on The Nasdaq Capital Market or any other nationally recognized exchange. If our Series A Preferred Stock is delisted from The Nasdaq Capital Market or another nationally recognized exchange, we could face significant material adverse consequences, including: ● a limited availability of market quotations for our Series A Preferred Stock; ● reduced liquidity with respect to our Series A Preferred Stock; ● a determination that our Series A Preferred Stock is "penny stock," which will require brokers trading in our Series A Preferred Stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our Series A Preferred Stock; and ● a decreased ability to issue additional securities or obtain additional financing in the future. Our Series A Preferred Stock has not been rated. Our Series A Preferred Stock has not been rated by any nationally recognized statistical rating organization, which may negatively affect the market value of our Series A Preferred Stock and your ability to sell shares of Series A Preferred Stock. No assurance can be given, however, that one or more rating agencies might not independently determine to issue such a rating or that such a rating, if issued, would not adversely affect the market price of our Series A Preferred Stock. In addition, we may elect in the future to obtain a rating of our Series A Preferred Stock, which could adversely impact the market price of our Series A Preferred Stock. Ratings only reflect the views of the rating agency or agencies issuing the ratings and such ratings could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of our Series A Preferred Stock. Market interest rates and other factors may affect the value of our Series A Preferred Stock. One of the factors that will influence the prices of our Series A Preferred Stock will be the dividend yield on our Series A Preferred Stock relative to market interest rates. An increase in market interest rates could cause the market prices of our Series A Preferred Stock to go down. The trading prices of the shares of our Series A Preferred Stock will also depend on many other factors, which may change from time to time, including: ● the market for similar securities; ● ~~government action or regulation~~; ● general economic conditions or conditions in the financial markets; and ● our financial condition, performance and prospects. Shares of our Series A Preferred Stock are subordinate to our existing and future debt, and your interests could be diluted by the issuance of additional preferred stock, including additional shares of our Series A Preferred Stock, and by other transactions. Our Series A Preferred Stock ranks junior to all of our existing and future indebtedness, any classes or series of our capital stock expressly designated as ranking senior to our Series A Preferred Stock as to distribution rights and rights upon our liquidation, dissolution or winding up, and other non-equity claims on us and our assets available to satisfy claims against us, including claims in bankruptcy, liquidation or similar proceedings. Our articles of incorporation currently authorize the issuance of up to 100,000,000 shares of preferred stock, \$ 0.0001 par value per share, in one or more classes or series. In addition, a majority of our entire board of directors may, with stockholder approval, amend our articles of incorporation to increase or decrease the aggregate number of shares of our capital stock or the number of shares of our capital stock of any class or series that we have authority to issue and classify or reclassify any unissued shares of our common stock or preferred stock and set the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption of the

classified or reclassified shares. Our board of directors may, without notice to or the consent of holders of our Series A Preferred Stock, authorize the issuance and sale of additional shares of Series A Preferred Stock and authorize and issue additional shares of stock ranking junior to or on parity with our Series A Preferred Stock from time to time. The issuance of additional shares of Series A Preferred Stock or additional shares of stock ranking on parity with our Series A Preferred Stock would dilute the interests of the holders of our Series A Preferred Stock, and the issuance of shares of any class or series of our capital stock expressly designated as ranking senior to our Series A Preferred Stock (with the requisite vote of holders of our Series A Preferred Stock and other classes of stock ranking on parity with our Series A Preferred Stock as described in this prospectus supplement) or the incurrence of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series A Preferred Stock. None of the provisions relating to our Series A Preferred Stock contain any terms relating to or limiting our indebtedness or affording the holders of our Series A Preferred Stock protection in the event of a highly-leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets, that might adversely affect the holders of Series A Preferred Stock, so long as the rights of the holders of our Series A Preferred Stock are not materially and adversely affected. Holders of our Series A Preferred Stock have extremely limited voting rights. Voting rights as a holder of our Series A Preferred Stock will be extremely limited. Shares of our common stock are currently the only class of our securities carrying full voting rights. Voting rights for holders of our Series A Preferred Stock exist primarily with respect to voting on amendments to our articles of incorporation (in some cases, voting together with the holders of other parity Preferred Stock), that materially and adversely affect the rights, preferences, privileges or voting powers of our Series A Preferred Stock or create additional classes or series of preferred stock that are senior to our Series A Preferred Stock and the ability to elect (voting separately as a class together with the holders of all other parity Preferred Stock) two additional directors to our board of directors in the event that 18 monthly dividends (whether or not consecutive) payable on our Series A Preferred Stock are in arrears, **which occurred on November 20, 2023**. ~~We intend to pay regular monthly dividends~~ **Dividends on to holders of our Series A Preferred Stock** - Dividends declared by us will be authorized by our board of directors in its sole discretion out of assets legally available for distribution and will depend upon a number of factors, including our earnings, our financial condition, restrictions under applicable law, our need to comply with the terms of our existing financing arrangements, the capital requirements of our ~~company~~ **Company** and other factors as our board of directors may deem relevant from time to time. We may have to fund ~~any declared~~ **any declared** dividends from working capital, borrow to provide funds for such dividends, or sell assets to the extent dividends exceed earnings or cash flows from operations. Funding dividends from working capital would restrict our operations. If we are required to sell assets to fund dividends, such asset sales may occur at a time or in a manner that is not consistent with our disposition strategy. If we borrow to fund dividends, our leverage ratios and future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. We ~~suspended dividends in May 2022, and~~ **suspended dividends in May 2022, and** may not be able to pay dividends in the future. **We have suspended cash dividends on our Series A Preferred Stock, and we do not anticipate paying any cash dividends on our Series A Preferred Stock in the foreseeable future. On May 25, 2022, we announced the suspension of cash dividends on our Series A Preferred Stock. We currently intend to retain future earnings, if any, to preserve cash in order to fund the development and growth of our business. Any future determination to pay cash dividends will be dependent upon our financial condition, operating results, capital requirements, applicable contractual restrictions, and other such factors as our board of directors may deem relevant. Not paying monthly dividends on the Series A Preferred Stock could cause significant material adverse consequences including negatively affecting its market value and your ability to transfer or sell your shares. Additionally, if dividends on the Series A Preferred Stock are in arrears for 18 or more monthly periods, whether or not consecutive, which occurred on November 20, 2023, holders of shares of the Series A Preferred Stock would be entitled to vote for the election of a total of two additional directors to serve on our board of directors, until all unpaid dividends for past dividend periods with respect to the Series A Preferred Stock and any Parity Preferred Stock have been paid.** If our common stock ~~or our Series A Preferred Stock~~ is delisted, your ability to transfer or sell your shares of our Series A Preferred Stock may be limited and the market value of our Series A Preferred Stock will be materially adversely affected. Other than in connection with certain change of control transactions, our Series A Preferred Stock does not contain provisions that protect you if our common stock is delisted from Nasdaq. Since our Series A Preferred Stock has no stated maturity date, you may be forced to hold your shares of our Series A Preferred Stock and receive stated dividends on the stock when, as and if authorized by our board of directors and declared by us with no assurance as to ever receiving the liquidation preference. In addition, if our common stock is delisted from Nasdaq, it is likely that our Series A Preferred Stock will be delisted as well. Accordingly, if our common stock is delisted from Nasdaq, your ability to transfer or sell your shares of our Series A Preferred Stock may be limited and the market value of our Series A Preferred Stock will be materially adversely affected. **Throughout most of** ~~On January 18, 2022, we received a notification letter from the Listing Qualifications Department of the Nasdaq Capital Market indicating that our common stock is was~~ **On January 18, 2022, we received a notification letter from the Listing Qualifications Department of the Nasdaq Capital Market indicating that our common stock is was** not in compliance with the \$ 1.00 minimum closing bid price requirement. We were given a ~~grace period~~ **grace period** ~~of 180 days from the notification, or until July 18, 2022, to regain~~ **of 180 days from the notification, or until July 18, 2022, to regain** ~~regained~~ **regained** compliance ~~on or about February 27, 2023~~, by having the closing bid price of our common stock exceed \$ 1.00 for a minimum of ten (10) consecutive trading days during the grace period. ~~We did not regain compliance by implementing~~ **We did not regain compliance by implementing** ~~July 18, 2022. On July 20, 2022, the Company submitted its compliance plan to Nasdaq with a request 1- for~~ **July 18, 2022. On July 20, 2022, the Company submitted its compliance plan to Nasdaq with a request 1- for** ~~100 a second 180 day compliance period regarding the bid price compliance, including an intent to implement a reverse stock split in sufficient time during the~~ **100 a second 180 day compliance period regarding the bid price compliance, including an intent to implement a reverse stock split in sufficient time during the** ~~of our outstanding common stock on February 18- 10 days to evidence, 2023. On~~ **of our outstanding common stock on February 18- 10 days to evidence, 2023. On** ~~February 27, 2023, the Company regained compliance with Nasdaq Listing Rule 5550 (a) (2), the \$ 1.00 minimum closing bid price requirement (“~~ **February 27, 2023, the Company regained compliance with Nasdaq Listing Rule 5550 (a) (2), the \$ 1.00 minimum closing bid price requirement (“** ~~of at least \$ 1.00 per share for a minimum of ten consecutive business days prior to the expiration of the second compliance period. On July 22, 2022, Nasdaq granted the Company's request for the second 180 day compliance period, or until January 16, 2023, to regain compliance with the bid price. There~~ **of at least \$ 1.00 per share for a minimum of ten consecutive business days prior to the expiration of the second compliance period. On July 22, 2022, Nasdaq granted the Company's request for the second 180 day compliance period, or until January 16, 2023, to regain compliance with the bid price. There** ~~)” price of the Company's~~ **)” price of the Company's**

common stock following the successful filing of its no assurance Quarterly Reports on Form 10-Q for the quarters ended March 31, 2022, June 30, 2022, and September 30, 2022 pursuant to Nasdaq Listing Rule 5250 (c) (1), which requires listed companies to timely file all required periodic financial reports ("filing requirements") with the Securities and Exchange Commission ("SEC"). On March 31, 2023, the Company filed a notice of late filing on Form 12b-25 with the Securities and Exchange Commission (the "SEC") to report that we will regain compliance during its Annual Report on Form 10-K for the grace period year ended December 31, 2022 (the "Form 10-K") would not be timely filed. On April 19, 2023, the Company received a notice from The Nasdaq Stock Market LLC ("Nasdaq") stating that because the Company has not yet filed the Form 10-K, the Company is no longer in compliance with Nasdaq Listing Rule 5250 (c) (1), which requires listed companies to timely file all required periodic financial reports with the SEC. On May 17, 2023, the Company received a notice from Nasdaq stating that because the Company has not yet filed the Form 10-K or its Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (the "Form 10-Q"), the Company is not in compliance with Nasdaq Listing Rules. On August 16, 2023, the Company had until received a notice from Nasdaq stating that because the Company has not yet filed its Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, the Company is not in compliance with Nasdaq Listing Rules respect to these delinquent reports. On July 21, 2023, the Company submitted its received notice from the Listing Qualifications Staff (the "Staff") indicating that the Staff had determined to delist the Company's securities unless the Company timely requests a hearing before the Nasdaq Hearings Panel (the "Panel"). The Staff's determination was based upon the Company's continued non-compliance plan to Nasdaq to get the Company's reporting current. On July 22, 2023, Nasdaq granted the Company's request for a compliance period to comply with the filing requirement set forth in Nasdaq Listing Rule 5250 (c) (1) because, which requires listed companies to timely file all required periodic financial reports with the SEC. This extension requires that on or before September 1, 2023, the Company must have filed its late Form 10-K for the year ended December 31, 2022, and the Form 10-Q for, as well as any other, the periodic periods report due within ended March 31, 2023 and June 30, 2023. On November 16, 2023, the Company received a notice from Nasdaq stating that because time frame, namely the Company has not yet filed its Quarterly Report on Form 10-Q for the period quarter ended June 30, 2023, the Company does not satisfy in compliance with Nasdaq Listing Rules. The Company requested and obtained a hearing before the Panel as well as a further stay of any additional action by Nasdaq pending the issuance of a decision by the Panel. There can be no assurance that a favorable decision time frame, Nasdaq will provide written notification that its securities will be delisted obtained. On June 21, 2023, the Company received a letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that, for the last 30 consecutive business days, the Company's minimum Market Value of Publicly Held Shares, as defined by Nasdaq ("MVPHS"), of the Company's 9.25% Series A Cumulative Redeemable Perpetual Preferred Stock ("Preferred Stock") has been below the minimum \$1 million requirement for continued listing on Nasdaq under Nasdaq Listing Rule 5555 (a) (4) (the "Minimum Market Value of Publicly Held Shares Requirement"). If the Company fails to timely regain compliance with Minimum Market Value of Publicly Held Shares Requirement our 9.25% Series A Cumulative Redeemable Perpetual Preferred Stock will be subject to delisting from Nasdaq. Under Nasdaq rules, the Company will have the opportunity to appeal the delisting decision to a Nasdaq Hearings Panel. There can be no assurance that, if the Company decides to appeal the delisting determination, such appeal would be successful. There is no assurance, however, that we will regain compliance during the grace period or be able to maintain compliance with Nasdaq's listing requirements in the future. If we are not able to regain maintain compliance during the grace period, or any extension of the grace period for which we may be eligible, Nasdaq will notify us that our common stock and our Series A Preferred Stock will be suspended and subject to delisting. If we are subject to delisting, we may appeal Nasdaq's determination to delist to a hearings panel. During any appeal process, shares of our common stock and our Series A Preferred Stock were delisted from Nasdaq, among other things, it would continue likely lead to trade a number of negative implications, including an adverse effect on Nasdaq the price of our common stock and our Series A Preferred Stock, reduced liquidity in our common stock and Preferred Stock, the loss of federal preemption of state securities laws with respect to shares issued in future offerings, greater difficulty in obtaining financing, potential loss of confidence by employees, loss of institutional investor interest and fewer business development opportunities. Our ability to pay dividends is limited by the requirements of Nevada law. Our ability to pay dividends on our Series A Preferred Stock is limited by the laws of Nevada. Under Nevada law, a Nevada corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as they become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's charter provides otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we generally may not make a distribution on our Series A Preferred Stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series of stock provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of shares of any class or series of stock then outstanding, if any, with preferential rights upon dissolution senior to those of our Series A Preferred Stock. Our We have suspended cash dividends on our Series A Preferred Stock Fails to Meet Nasdaq's Listing Requirement for Minimum Market Value of Publicly Held Shares, which may negatively affect its market value and we do not anticipate paying any cash dividends on our your Series A ability to transfer or sell your shares. In accordance with Nasdaq Listing Rule 5810 (c) (3) (D), the Company has been provided a compliance period of 180 calendar days from receipt of the letter, or until December 18, 2023, to regain compliance with the Minimum Market

Value of Publicly Held Shares Requirement. To regain compliance with the Minimum Market Value of Publicly Held Shares Requirement, the Company's Preferred Stock MVPHS must be \$ 1 million or more for a minimum in the foreseeable future. On May 25, 2022, we announced the suspension of cash dividends 10 consecutive business days during the compliance period ending on our Series A December 18, 2023. There can be no assurance that the Company will be able to regain compliance with either listing requirement. If the Company does not regain compliance within the applicable compliance period, Nasdaq will provide written notification to the Company that the Preferred Stock. We currently intend to retain future earnings, if any, to preserve cash in order to fund the development and growth of our business. Any future determination to pay cash dividends will be dependent upon our financial condition subject to delisting. At that time, operating results the Company may appeal the delisting determination to a Nasdaq Listing Qualifications Panel. There can be no assurance that capital requirements if the Company decides to appeal the delisting determination, applicable contractual restrictions such appeal would be successful. If our Preferred Stock is delisted from Nasdaq, and among other such factors as things, it would likely lead to a number of negative implications, including no market for the Preferred Stock and no ability for you to sell the Preferred Stock, reduced our or board no liquidity for the Preferred Stock, greater difficulty in obtaining financing, loss of directors may deem relevant institutional investor interest and fewer business development opportunities. We may redeem the our Series A Preferred Stock and you may not receive dividends that you anticipate if we do redeem our Series A Preferred Stock. On or after April 29, 2024, we may, at our option, redeem our Series A Preferred Stock, in whole or in part, at any time or from time to time. Also, upon the occurrence of a certain defined change of control transactions, we may, at our option, redeem our Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such change of control occurred. We may have an incentive to redeem our Series A Preferred Stock voluntarily if market conditions allow us to issue other preferred stock or debt securities at a rate that is lower than the dividend rate on our Series A Preferred Stock. If we redeem our Series A Preferred Stock, then from and after the redemption date, dividends will cease to accrue on shares of Series A Preferred Stock, the shares of Series A Preferred Stock shall no longer be deemed outstanding and all rights as a holder of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption. Holders of shares of our Series A Preferred Stock should not expect us to redeem our Series A Preferred Stock on or after the date they become redeemable at our option. Our Series A Preferred Stock will be a perpetual equity security. This means that it will have no maturity or mandatory redemption date and will not be redeemable at the option of the holders. Our Series A Preferred Stock may be redeemed by us at our option either in whole or in part, from time to time, at any time on or after April 29, 2024, or upon the occurrence of a defined change of control. Any decision we may make at any time to propose a redemption of our Series A Preferred Stock will depend upon, among other things, our evaluation of our capital position, the composition of our stockholders' equity and general market conditions at that time. Our Series A Preferred Stock is not convertible into shares of our common stock, and investors will not realize a corresponding upside if the price of our common stock increases. Our Series A Preferred Stock is not convertible into shares of our common stock and earns dividends at a fixed rate. Accordingly, an increase in market price of our common stock will not necessarily result in an increase in the market price of our Series A Preferred Stock. The market value of our Series A Preferred Stock may depend more on dividend and interest rates for other preferred stock, commercial paper and other investment alternatives and our actual and perceived ability to pay dividends on, and in the event of dissolution satisfy the liquidation preference with respect to, our Series A Preferred Stock. Risks Relating to our Common Stock Our common stock price may be volatile, which could result in substantial losses to investors and litigation. In addition to changes to market prices based on our results of operations and the factors discussed elsewhere in this " Risk Factors " section, the market price of and trading volume for our common stock may change for a variety of other reasons, not necessarily related to our actual operating performance. The capital markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. In addition, the average daily trading volume of the securities of small companies can be very low, which may contribute to future volatility. Factors that could cause the market price of our common stock to fluctuate significantly include: ● the results of operating and financial performance and prospects of other companies in our industry; ● strategic actions by us or our competitors, such as acquisitions or restructurings; ● announcements of innovations, increased service capabilities, new or terminated customers or new, amended or terminated contracts by our competitors; ● the public's reaction to our press releases, other public announcements, and filings with the SEC; ● lack of securities analyst coverage or speculation in the press or investment community about us or market opportunities in the telecommunications services and staffing industry; ● changes in government policies in the United States and, as our international business increases, in other foreign countries; ● changes in earnings estimates or recommendations by securities or research analysts who track our common stock or failure of our actual results of operations to meet those expectations; ● market and industry perception of our success, or lack thereof, in pursuing our growth strategy; ● any lawsuit and judgments involving us, our services or our products ; ● arrival and departure of key personnel; ● sales of common stock by us, our investors, or members of our management team; and ● changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural or man- made disasters. Any of these factors, as well as broader market and industry factors, may result in large and sudden changes in the trading volume of our common stock and could seriously harm the market price of our common stock, regardless of our operating performance. This may prevent you from being able to sell your shares at or above the price you paid for your shares of our common stock, if at all. In addition, following periods of volatility in the market price of a company's securities, stockholders often institute securities class action litigation against that company. Our involvement in any class action suit or other legal proceeding could divert our senior management's attention and could adversely affect our business, financial condition, results of operations and prospects. We have never declared or paid cash dividends on our common stock, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain future

earnings, if any, to fund the development and growth of our business. Any future determination to pay cash dividends will be dependent upon our financial condition, operating results, capital requirements, applicable contractual restrictions, and other such factors as our board of directors may deem relevant. The sale or availability for sale of substantial amounts of our common stock could adversely affect the market price of our common stock. Sales of substantial amounts of shares of our common stock, or the perception that these sales could occur, could adversely affect the market price of our common stock and could impair our future ability to raise capital through common stock offerings. Our executive officers and directors beneficially own, collectively, a substantial percentage of our outstanding common stock. If one or more of them were to sell a substantial portion of the shares they hold, it could cause our stock price to decline. ~~At June 30, 2022, our directors and executive officers owned or controlled approximately 25 % of our outstanding common stock, which may limit your ability to propose new management or influence the overall direction of the business; this concentration of control may also discourage potential takeovers that could otherwise provide a premium to you. At June 30, 2022, our executive officers and directors beneficially owned or controlled approximately 25 % of our outstanding common stock. These persons will have the ability to substantially influence all matters submitted to our stockholders for approval and to substantially influence or control our management and affairs, including extraordinary transactions such as mergers and other changes of corporate control, and going private transactions.~~ We cannot assure you that we will be able to continue to comply with Nasdaq’s listing standards. Our common stock commenced trading on Nasdaq on January 22, 2021. To be so listed, we were required to meet the current Nasdaq listing standards, including the minimum bid price requirement, which we met by implementing a 1-for-3 reverse stock split of our outstanding common stock on January 21, 2021, **and which we met by implementing a 1-for-100 reverse stock split of our outstanding common stock on February 10, 2023.** There can be no assurance that the market price of our common stock will remain at the level required for continuing compliance with the minimum bid price requirement of Nasdaq. It is not uncommon for the market price of a company’s common stock to decline in the period following a reverse stock split. If the market price of our common stock declines, given our recent reverse stock ~~split~~ **splits**, the percentage decline may be greater than would occur in the absence of such reverse stock ~~split~~ **splits**. In addition, other factors unrelated to the number of shares of our common stock outstanding, such as negative financial or operational results, could adversely affect the market price of our common stock and jeopardize our ability to meet or maintain Nasdaq’s minimum bid price requirement. If we fail to comply with the minimum bid price requirement, **there could be further reverse stock splits, and** our securities could be delisted. Our stock price ~~does not meet and may fail to meet in the future the continued listing requirements of the Nasdaq Capital Market. We are~~ **In 2022 and 2023, we were** late with our Annual Report and Quarterly ~~Report~~ **Reports** with the SEC. Our ability to publicly or privately sell equity securities and the liquidity of our common stock could be adversely affected if we are delisted from the Nasdaq Capital Market. ~~Throughout most of~~ **On January 18, 2022, our common stock was** we received a notification letter from the Listing Qualifications Department of the Nasdaq Capital Market indicating that we were not in compliance with the \$ 1.00 minimum closing bid price requirement. We were given a grace ~~period~~ **periods and** of 180 days from the notification, or until July 18, 2022, to regain ~~regained~~ **regained** compliance **on or about February 27, 2023**, by having the closing bid price of our common stock exceed \$ 1.00 for a minimum of ten (10) consecutive trading days during the grace period. ~~We did not regain compliance by implementing~~ **July 18, 2022. On July 20, 2022, the Company submitted its compliance plan to Nasdaq with a request 1- for 100 a second 180-day compliance period regarding the bid price compliance, including an intent to implement a reverse stock split in sufficient time during the** ~~of our outstanding common stock on February 180-~~ **10 days to evidence a, 2023. If our common stock falls below the minimum** closing bid price of at least \$ requirement, there could be further reverse stock splits. In April 2022, we were not in compliance with Nasdaq Listing Rule 5250 (c) (1), which requires listed companies to timely file all required periodic financial reports with the SEC. ~~00 per share~~ We regained compliance on or about February 24, 2023, by filing the last of our later periodic financial reports. However, in April 2023, we were not in compliance with Listing Rule 5250 (c) (1), which requires listed companies to timely file all required periodic financial reports with the SEC. We must regain compliance on or about October 12, 2023, by filing the annual report on Form 10-K and later periodic financial reports. On March 31, 2023, the Company filed a notice of late filing on Form 12b-25 with the Securities and Exchange Commission (the “SEC”) to report that its Annual Report on Form 10-K ~~for a minimum of ten consecutive business days prior to the expiration of year ended December 31, 2022 (the second-~~ **Form 10-K**) would not be timely filed. On April 18, 2023, the Company received a notice from The Nasdaq Stock Market LLC (“Nasdaq”) stating that because the Company has not yet filed the Form 10-K, the Company is no longer in compliance with Nasdaq Listing Rule 5250 (c) (1), which requires listed companies to timely file all required periodic financial reports with the SEC. On May 17, 2023, the Company received a notice from Nasdaq stating that because the Company has not yet filed the Form 10-K or its Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (the “Form 10-Q”), the Company is not in compliance with Nasdaq Listing Rules. On August 16, 2023, the Company received a notice from Nasdaq stating that because the Company has not yet filed its Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, the Company is not in compliance with Nasdaq Listing Rules. On October 16, 2023, the Company received notice from the Listing Qualifications Staff (the “Staff”) indicating that the Staff had determined to delist the Company’s securities unless the Company timely requests a hearing before the Nasdaq Hearings Panel (the “Panel”). The Staff’s determination was based upon the Company’s continued non-compliance with the filing requirement set forth in Nasdaq Listing Rule 5250 (c) (1) because the Company has not filed its Form 10-K for the year ended December 31, 2022, and the Forms 10-Q for the ~~period~~ **periods** ended March 31, 2023 and June 30, 2023. On November 16, 2023, the Company received a notice from Nasdaq stating that because the Company has not yet filed its Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, the Company is not in compliance with Nasdaq Listing Rules. The Company requested and obtained a hearing before the Panel as well as a further stay of any additional action by Nasdaq pending the issuance of a decision by the Panel. There can be no assurance that a favorable decision will be

obtained. See Note 22 – Subsequent Events – Nasdaq Compliance Developments in the accompanying Notes of the financial statements for additional information. There is no assurance, however, that we will **be able to** regain compliance during the grace period or be able to maintain compliance with Nasdaq’s listing requirements in the future. If we are not able to regain compliance during the grace period, or any extension of the grace period for **or maintain compliance** which we may be eligible, Nasdaq will notify us that our common stock, **warrants, and 9.25 % Series A Cumulative Redeemable Perpetual Preferred Stock** will be suspended and subject to delisting. ~~If we are subject to delisting, we may appeal Nasdaq’s determination to delist to a hearings panel. During any appeal process, shares of our common stock would continue to trade on Nasdaq.~~ If our common stock were delisted from Nasdaq, among other things, it would likely lead to a number of negative implications, including an adverse effect on the price of our common stock, reduced liquidity in our common stock, the loss of federal preemption of state securities laws with respect to shares issued in future offerings, greater difficulty in obtaining financing, potential loss of confidence by employees, loss of institutional investor interest and fewer business development opportunities. In the event of a delisting, we ~~would~~ **could attempt to** take actions to restore our compliance with Nasdaq’s listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with Nasdaq’s listing requirements. We ~~may~~ **will** need to raise additional capital in the future. Additional capital may not be available to us on reasonable terms, if at all, when or as we require. If we issue additional shares of our common stock or other securities that may be convertible into, or exercisable or exchangeable for, our common stock, our existing stockholders will experience further dilution and could trigger anti-dilution provisions in outstanding warrants. We ~~may~~ need to raise additional capital in the future. Future financings may involve the issuance of debt, equity and / or securities convertible into or exercisable or exchangeable for our equity securities. These financings may not be available to us on reasonable terms or at all when and as we require funding. If we are able to consummate such financings, the trading price of our common stock could be adversely affected and / or the terms of such financings may adversely affect the interests of our existing stockholders. Any failure to obtain additional working capital when required would have a material adverse effect on our business and financial condition and may result in a decline in our stock price. Any issuances of our common stock, convertible preferred stock, or securities such as warrants or notes that are convertible into, exercisable or exchangeable for, our capital stock, would have a dilutive effect on the voting and economic interest of our existing stockholders. Our officers and directors are entitled to indemnification from us for liabilities under our articles of incorporation, which could be costly to us and may discourage the exercise of stockholder rights. Our articles of incorporation provide that we possess and may exercise all powers of indemnification of our officers, directors, employees, agents and other persons and our bylaws also require us to indemnify our officers and directors as permitted under the provisions of the Nevada Revised Statutes (“NRS”). We also have contractual indemnification obligations under our agreements with our directors and officers. The foregoing indemnification obligations could result in our ~~company~~ **Company** incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers. These provisions and resultant costs may also discourage our ~~company~~ **Company** from bringing a lawsuit against directors, officers, and employees for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our stockholders against our directors, officers and employees even though such actions, if successful, might otherwise benefit our ~~company~~ **Company** and stockholders. Our bylaws and Nevada law may discourage, delay, or prevent a change of control of our ~~company~~ **Company** or changes in our management, which could have the result of depressing the trading price of our common stock. Certain anti-takeover provisions of Nevada law could have the effect of delaying or preventing a third-party from acquiring us, even if the acquisition arguably could benefit our stockholders. Nevada’s “combinations with interested stockholders” statutes, NRS 78.411 through 78.444, inclusive, prohibit specified types of business “combinations” between certain Nevada corporations and any person deemed to be an “interested stockholder” for two years after such person first becomes an “interested stockholder” unless the corporation’s board of directors approves the combination, or the transaction by which such person becomes an “interested stockholder”, in advance, or unless the combination is approved by the board of directors and sixty percent of the corporation’s voting power not beneficially owned by the interested stockholder, its affiliates and associates. Further, in the absence of prior approval certain restrictions may apply even after such two-year period. However, these statutes do not apply to any combination of a corporation and an interested stockholder after the expiration of four years after the person first became an interested stockholder. For purposes of these statutes, an “interested stockholder” is any person who is (1) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation, or (2) an affiliate or associate of the corporation and at any time within the two previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term “combination” is sufficiently broad to cover most significant transactions between a corporation and an “interested stockholder.” These statutes generally apply to Nevada corporations with 200 or more stockholders of record. However, a Nevada corporation may elect in its articles of incorporation not to be governed by these particular laws, but if such election is not made in the corporation’s original articles of incorporation, the amendment (1) must be approved by the affirmative vote of the holders of stock representing a majority of the outstanding voting power of the corporation not beneficially owned by interested stockholders or their affiliates and associates, and (2) is not effective until 18 months after the vote approving the amendment and does not apply to any combination with a person who first became an interested stockholder on or before the effective date of the amendment. We did not make such an election in our original articles of incorporation and have not amended our articles of incorporation to so elect. Nevada’s “acquisition of controlling interest” statutes, NRS 78.378 through 78.3793, inclusive, contain provisions governing the acquisition of a controlling interest in certain Nevada corporations. These “control share” laws provide generally that any person that acquires a “controlling interest” in certain Nevada corporations may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting

rights. Our bylaws provide that these statutes do not apply to us or any acquisition of our common stock. Absent such provision in our bylaws, these laws would apply to us as of a particular date if we were to have 200 or more stockholders of record (at least 100 of whom have addresses in Nevada appearing on our stock ledger at all times during the 90 days immediately preceding that date) and do business in the State of Nevada directly or through an affiliated corporation, unless our articles of incorporation or bylaws in effect on the tenth day after the acquisition of a controlling interest provide otherwise. These laws provide that a person acquires a “controlling interest” whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the NRS, would enable that person to exercise (1) one fifth or more, but less than one third, (2) one third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, shares which it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become “control shares” to which the voting restrictions described above apply. Various provisions of our bylaws may delay, defer, or prevent a tender offer or takeover attempt of us that a stockholder might consider in his or her best interest. Our bylaws may be adopted, amended, or repealed by the affirmative vote of the holders of at least a majority of our outstanding shares of capital stock entitled to vote for the election of directors, and except as provided by Nevada law, our board of directors shall have the power to adopt, amend or repeal the bylaws by a vote of not less than a majority of our directors. The interests of these stockholders and directors may not be consistent with your interests, and they may make changes to the bylaws that are not in line with your concerns. Nevada law also provides that directors may resist a change or potential change in control if the directors determine that the change is opposed to, or not in the best interests of, the corporation. The existence of the foregoing provisions and other potential anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our ~~company~~ **Company**, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition. If equity research analysts do not publish research or reports about our business, or if they issue unfavorable commentary or downgrade our common stock, the market price of our common stock will likely decline. The trading market for our common stock will rely in part on the research and reports that equity research analysts, over whom we have no control, publish about us and our business. We may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our ~~company~~ **Company**, the market price for our common stock could decline. In the event we obtain securities or industry analyst coverage, the market price of our common stock could decline if one or more equity analysts downgrade our common stock or if those analysts issue unfavorable commentary, even if it is inaccurate, or cease publishing reports about us or our business. Our articles of incorporation allow for our board of directors to create new series of preferred stock without further approval by our stockholders, which could adversely affect the rights of the holders of our common stock. Our board of directors has the authority to fix and determine the relative rights and preferences of our preferred stock. Currently our board of directors has the authority to designate and issue up to 100,000,000 shares of our “blank check” preferred stock without further stockholder approval. As a result, our board of directors could authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock and the right to the redemption of the shares, together with a premium, prior to the redemption of our common stock. In addition, our board of directors could authorize the issuance of a series of preferred stock that has greater voting power than our common stock or that is convertible into our common stock, which could decrease the relative voting power of our common stock or result in dilution to our existing stockholders. ~~ITEM 1B. UNRESOLVED STAFF~~

COMMENTS