Risk Factors Comparison 2024-02-29 to 2023-03-10 Form: 10-K

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An investment in our common stock involves a significant degree of risk. Many of the risk factors are, and will continue to be, exacerbated by ~~the COVID- 19 pandemic and~~ any worsening of the economic environment. You should not invest in our common stock unless you can afford to lose your entire investment. You should consider carefully the following risk factors and other information in this report before deciding to invest in our common stock. If any of the following risks and uncertainties develops into actual events, our business, financial condition or results of operations could be materially adversely affected and you could lose your entire investment in our Company. ~~Business~~ **7Business** Risks We have a history of losses. We cannot anticipate with any degree of certainty what our revenues will be in future periods. While our revenues ~~increased~~ **decreased** approximately ~~26~~ **2** . ~~4~~ **2** % in ~~2022~~ **2023** as compared to ~~2021~~ **2022** , our gross profit margin ~~decreased~~ **increased** to **85. 8 % in 2023 from** 60. 0 % in 2022 ~~from 73. 4 % in 2021~~ . We reported an operating loss of approximately $ ~~12~~ **10** . ~~6~~ **3** million in ~~2022~~ **2023** as compared to an operating loss of approximately $ ~~7~~ **12** . ~~8~~ **6** million in ~~2021~~ **2022** . Though we have a credit facility dependent upon receivables, the negative cash flows generated from operating activities introduces potential risk of an interruption to operating activities. As of December 31, ~~2022~~ **2023** , we have approximately $ 4. ~~5~~ **4** million in cash, cash equivalents and short- term marketable securities. Our net working capital was $ ~~2~~ **211** . ~~8 million~~ **1 thousand** . We have encountered recurring losses and cash outflows from operations, which historically we have funded through equity offerings and debt facilities. In addition, our investment in internally developed software consists primarily of labor costs which are of a fixed nature. Through December 31, ~~2022~~ **2023** , our accumulated deficit was $ ~~157~~ **167** . ~~1~~ **4** million. See Liquidity and Capital Resources under ITEM 7. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS for a more thorough discussion. We rely on three customers for a significant portion of our revenues. We are reliant upon three customers for a significant portion of our revenue. During ~~2022~~ **2023** these customers accounted for **60. 4 %, 12. 8 %, and 5. 7 % of our revenues, respectively. In 2022, two of the same customers and another customer accounted for** 29. 1 %, 24. 1 % and 12. 9 ~~% of our revenues, respectively. In 2021, three separate customers accounted for 14. 3 %, 15. 6 % and 33. 0~~ % of our revenues, respectively. The amount of revenue we receive from these customers is dependent on a number of factors outside of our control, ~~for InDirect customers~~ this includes the amount they charge for advertisements, the depth of advertisements available from them, and their ability to display relevant ads in response to end user queries and ~~for Direct customers this includes~~ changes in advertising budgets resulting from their own business circumstances. ~~In 2021 and throughout~~ **Throughout** 2022 we onboarded several ~~Direct~~ clients that contributed to revenue growth. We have experienced churn in our ~~Direct~~ customer base where some ~~Direct~~ clients that were material to 2021 were not served or only partially served in 2022 and some ~~Direct~~ clients that were material to 2022 are no longer being served. Historically, we have been able to replace lost clients with new clients or by expanding our relationship with existing clients, however, we would likely experience a significant decline in revenue and our business operations could be significantly harmed if we continue to lose material customers or are unable to replace lost clients. The loss of material customers or a material change in the revenue or gross profit they generate would have a material adverse impact on our business, results of operations and financial condition in future periods. We are exposed to credit risk on our accounts receivable and this risk is heightened during periods when economic conditions worsen. We sell some of our solutions directly to advertisers and advertising agencies on credit. Our outstanding accounts receivables to advertisers and advertising agencies are not covered by collateral, third- party financing arrangements or credit insurance. Our exposure to credit and collectability risk on our accounts receivables is higher with some customers and our ability to mitigate such risks may be limited. As we continue to add new customers and expand our direct relationships with advertisers and advertising agencies our credit risk increases. Additionally, our credit risk increases during periods when economic conditions worsen. While we have procedures to monitor and limit exposure to credit risk on our accounts receivables there can be no assurance such procedures will effectively limit our credit risk and avoid losses. Our success is dependent upon our ability to establish and maintain direct relationships with advertisers and advertising agencies. Some of our solutions generate revenue directly from advertisers and advertising agencies. Accordingly, our ability to generate revenue for our solutions is dependent upon our ability to attract new advertisers, maintain relationships with existing advertisers and fulfill our advertisers’ orders. Our programs to attract advertisers include direct sales, agency sales, online promotions, referral agreements and participation in tradeshows. We attempt to maintain relationships with our advertisers through providing quality customer service and delivering on campaign goals. Our advertisers and advertising agency clients can generally terminate their contracts with us at any time and with limited or no advance notice. We believe that advertisers and advertising agencies will not continue to do business with us if their investment in advertising with us does not generate sales leads, and ultimately customers, or if we do not deliver their advertisements in an appropriate and effective manner. If we are unable to remain competitive and provide value to our advertisers, they may stop placing ads with us, which would have a material adverse effect on our business, prospects, financial condition and results of operations. ~~We~~ **8We** are dependent upon relationships with and the success of our supply partners. Our supply partners are very important to our success. We must recruit and maintain partners who are able to drive traffic successfully to their websites and mobile applications, resulting in clicks on advertisements we have delivered. These partners may experience difficulty in attracting and maintaining users for a number of reasons, including competition, rapidly changing markets and technology, industry consolidation and changing consumer preferences. We have experienced a decrease in the number of supply partners and quantity of Internet traffic from supply partners within ~~CampSight~~ **Bonfire** beginning in late April 2020. Additionally, we are experiencing turnover in our supply partner network and there can be no assurance traffic levels will increase to prior levels or that we will be able to replace supply partners that have left our network. Further, we may not be able to further develop and maintain relationships with distribution partners. They may be able to make their own deals directly with advertisers, may view us as competitors or may find our competitors offerings more desirable. Any of these potential events could have a material adverse effect on our business, financial position and results of operations. The success of our owned sites is dependent on our ability to acquire traffic in a profitable manner. Our ALOT- branded websites are dependent on our ability to attract traffic in a profitable manner. We use a predictive model to calculate the rate of return for marketing campaigns, which includes estimates and assumptions. If these estimates and assumptions are not accurate, we may not be able to effectively manage our marketing decisions and could acquire traffic in an unprofitable manner. In addition, we may not be able to maintain and grow our traffic for a number of reasons, including, but not limited to, acceptance of our websites by consumers, the availability of advertising to promote our websites, competition, and sufficiency of capital to purchase advertising. We advertise on search engine websites to drive traffic to our owned and operated websites. Our keyword advertising is done primarily with Google and Facebook, but also with Yahoo!. If we are unable to maintain and grow traffic to our sites in a profitable manner, it could have a material adverse effect on our business, financial condition, and results of operations. Because competition for our target employees is intense, we may not be able to attract and retain the highly skilled employees we need to support our operations and increasing customer base. In the technology industry, there is substantial and continuous competition for engineers with high levels of experience in designing, developing and managing software and Internet- related services, as well as competition for executives and sales and operations personnel. Many of our competitors have substantially more resources than we do and have the ability to compensate highly skilled personnel at higher levels than we can. We may not be successful in attracting and retaining qualified highly skilled personnel. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. In addition, job candidates and existing employees often consider the value of the stock awards they receive in connection with their employment. If our stock price performs poorly, it may adversely affect our ability to retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be severely harmed ~~. The COVID- 19 pandemic could have a material adverse impact on our business, results of operations and financial condition. In December 2019, a novel strain of coronavirus disease (" COVID- 19 ") was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID- 19 a pandemic — the first pandemic caused by a coronavirus. The outbreak has resulted in the implementation of significant governmental measures, including lockdowns, closures, quarantines and travel bans, intended to control the spread of the virus. The COVID- 19 outbreak has already caused severe global disruptions. Beginning in late April 2020, we experienced a significant reduction in demand (marketing budgets) within the CampSight platform and a modest decline in demand within the IntentKey platform, the combination of which resulted in a significant reduction in our revenue run rate. Generally, marketing budgets tend to decline in times of a recession. During 2020, we curtailed expenses, including compensation and travel and issued a work from home policy to protect our employees and their families from virus transmission associated with co- workers and we began to experience interruptions in our daily operations, as a result of these policies. During 2021, we changed our policies and reopened our offices on a limited basis and our revenue has returned to growth on a year over year basis. We maintain long- standing relationships with Yahoo! and Google that provide access to hundreds of thousands of advertisers from which most of our CampSight and digital publishing revenue originates. Any adverse impact on the operations of those companies would have a correspondingly adverse impact on our revenues in future periods. We will continue to assess the impact of the COVID- 19 pandemic on our Company, however, at this time we are unable to predict all possible impacts on our Company, operations and revenues. Should revenues turn downwards or fail to return to historical levels on a consistent basis, we may not be able to offset expenses quickly enough which could have a material adverse effect on our business, results of operations, financial condition and cash flows and adversely impact the trading price of our common stock~~ . Technological Risks Our business must keep pace with rapid technological change to remain competitive. Our business operates in a ~~market characterized by~~ rapidly changing ~~technology~~ **technological landscape** , **evident with the introduction of AI tools like ChatGPT in 2022 along with the deprecation of third- party cookies. To stay competitive, we must swiftly adapt to** evolving industry standards, ~~frequent~~ new product **releases** ~~and service announcements, enhancements~~ , and changing customer ~~demands~~ **preferences** . ~~We must adapt to rapidly changing technologies and industry standards and continually~~ -- **Continual** ~~improve~~ **improvement** ~~the~~ **of our services'** speed, performance, ~~features, ease of use~~ and ~~reliability of our services. This includes making our products and services compatible and maintaining~~ compatibility **across diverse platforms is crucial. Failure to keep pace** with **these technological shifts could adversely affect** ~~multiple operating systems, desktop and mobile devices, and evolving network infrastructure. If we fail to do this,~~ our ~~results of operations and~~ financial position ~~could be adversely affected~~ **and results of operations** . Our services may be interrupted if we experience problems with our network infrastructure. The performance of our network infrastructure is critical to our business and reputation. Because our services are delivered solely through the Internet, our network infrastructure could be disrupted by a number of factors, including, but not limited to: ~~•~~ · unexpected increases in usage of our services; ~~•~~ · computer viruses and other security issues; ~~•~~ · interruption or other loss of connectivity provided by third- party Internet service providers; ~~•~~ · natural disasters or other catastrophic events; and ~~•~~ · server failures or other hardware problems. ~~While~~ **9While** we have data centers in multiple, geographically dispersed locations and active back- up and disaster recovery plans, we cannot assure you that serious interruptions will not occur in the future. If our services were to be interrupted, it could cause loss of users, customers and business partners, which could have a material adverse effect on our results of operations and financial position. We **employ information including operational technology systems to support our business and to collect, store and / or use proprietary and confidential information. Security and data breaches, cyberattacks and other cybersecurity incidents involving our information technology systems, networks and infrastructure could disrupt or interfere with our**

operations; result in the compromise and misappropriation of proprietary and confidential information belonging to us or our customers, suppliers and employees; and expose us to numerous expenses, liabilities and other negative consequences, any or all of which could adversely impact our business, reputation and results of operations. In the ordinary course of business, we rely on information technology networks and systems, some of which are provided, hosted or managed by vendors and other third parties, to process, transmit and store electronic information, and to manage or support a variety of businesses. Additionally, we collect and store certain data, including proprietary business information, and have access to confidential or personal information in certain of our businesses that is subject to privacy and cybersecurity laws, regulations and customer- imposed controls. Third parties and threat actors, including organized criminals, nation- state entities, and / or nation- state supported actors, may attempt to gain unauthorized access to our information and operational technology networks and infrastructure, data and other information. Despite our cybersecurity and business continuity counter measures (including employee and third- party training, monitoring of networks and systems, patching, maintenance, and backup of systems and data), our information and operational technology systems, networks and infrastructure are still potentially susceptible to cyber- attack, insider threat, compromise, damage, disruption or shutdown, including as a result of the exploitation of known or unknown hardware or software vulnerabilities in our systems or the systems of our vendors and third- party service providers, the introduction of computer viruses, malware or ransomware, service or cloud provider disruptions or security breaches, phishing attempts, employee error or malfeasance, power outages, telecommunication or utility failures, systems failures, natural disasters or other catastrophic events. Despite our cybersecurity counter measures, it is possible for security vulnerabilities or a cyberattack to remain undetected for an extended time period and the prioritization of decisions with respect to security measures and remediation of known vulnerabilities that we and the vendors and other third parties upon which we rely make may prove inadequate to protect against these attacks. Any cybersecurity incident or information or operational technology network disruption could result in numerous negative consequences, including the risk of legal claims or proceedings, investigations or enforcement actions by U. S., state, or foreign regulators; liabilities or penalties under applicable laws and regulations, including privacy laws and regulations in the U. S. and other jurisdictions; interference with our operations; the incurrence of remediation costs; loss of intellectual property protection; the loss of customer, supplier or employee relationships; and damage to our reputation, any of which could adversely affect our business. Although we maintain insurance coverage for various cybersecurity and business continuity risks, there can be no guarantee that all costs, damages, expenses or losses incurred will be fully insured. We are subject to risks from publishers who could fabricate clicks either manually or technologically. Our business involves the establishment of relationships with website owners and publishers. In exchange for their consumer traffic, we provide an advertising placement service and share a portion of the revenue we collect with that website publisher. Although we have click fraud detection software in place, we cannot guarantee that we will identify all fraudulent clicks or be able to recover funds distributed for fabricated clicks. This risk could materially impact our ability to borrow, our **revenue,** cash flow and the stability of our business. Regulatory Risks Regulatory and legal uncertainties could harm our business. While there are currently relatively few laws or regulations directly applicable to Internet- based commerce or commercial search activity, there is increasing awareness of such activity and interest from state and federal lawmakers in regulating these services. New regulation of activities in which we are involved or the extension of existing laws and regulations to Internet- based services could have a material adverse effect on our business, results of operations and financial position. Failure to comply with federal, state and international privacy and data security laws and regulations, or the expansion of current or the enactment of new privacy and data security laws or regulations, could adversely affect our business. A variety of federal, state and international laws and regulations govern the collection, use, retention, sharing and security of consumer data. In addition, various federal, state and foreign legislative and regulatory bodies may expand current or enact new laws regarding privacy matters. For example, recently there have been Congressional hearings and increased attention to the capture and use of location- based information relating to users of smartphones and other mobile devices, and internationally the European Union' s General Data Protection Regulation (GDPR) went into effect in May 2018. Additionally, multiple legislative proposals concerning privacy and the protection of user information are being considered by the U. S. Congress and various U. S. state legislatures. Certain U. S. state legislatures have already enacted privacy legislation, one of the strictest and most comprehensive of which is the California Consumer Privacy Act of 2018, which became effective on January 1, 2020 (the " CCPA "). The CCPA provides data privacy rights for California consumers, and restricts the ability to use personal California user. The CCPA also provides consumers with a private right of action for security breaches, as well as provides for statutory damages. We have posted privacy policies and practices concerning the collection, use and disclosure of subscriber data on our websites and applications. The existing and soon to be enacted privacy and data security related laws and regulations are evolving and subject to potentially differing interpretations. Several Internet companies have incurred penalties for failing to abide by the representations made in their privacy policies and practices. In addition, several states have adopted legislation that requires businesses to implement and maintain reasonable security procedures and practices to protect sensitive personal information and to provide notice to consumers in the event of a security breach. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any data- related consent orders, Federal Trade Commission requirements or orders or other federal, state or international privacy or consumer protection- related laws, including the GDPR and CCPA, regulations or industry self- regulatory principles could result in claims, proceedings or actions against us by governmental entities or others or other liabilities, which could adversely affect our business. We are subject to the continued listing standards of the NYSE American and our failure to satisfy these criteria may result in delisting of our common stock. Our common stock is listed on the NYSE American. In order to maintain this listing, we must maintain a certain share price, financial and share distribution targets, including maintaining a minimum amount of shareholders' equity and a minimum number of public shareholders. In addition to these objective standards, the NYSE

American may delist the securities of any issuer (i) if, in its opinion, the issuer' s financial condition and / or operating results appear unsatisfactory; (ii) if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing on the NYSE American inadvisable; (iii) if the issuer sells or disposes of principal operating assets or ceases to be an operating company; (iv) if an issuer fails to comply with the NYSE American' s listing requirements; (v) if an issuer' s securities sell at what the NYSE American considers a " low selling price " which the exchange generally considers $ 0. 20 per share and the issuer fails to correct this via a reverse split of shares after notification by the NYSE American; or (vi) if any other event occurs or any condition exists which makes continued listing on the NYSE American, in its opinion, inadvisable. There are no assurances how the market price of our common stock will be impacted in future periods as a result of the general uncertainties in the capital markets ~~and any specific impact on our Company as a result of the coronavirus~~ . If the NYSE American delists our common stock, investors may face material adverse consequences, including, but not limited to, a lack of trading market for our common stock, reduced liquidity, decreased analyst coverage of our common stock, and an inability for us to obtain any additional financing to fund our operations that we may need. ~~Failure~~ **10Failure** to comply with the covenants and restrictions in our grant agreement with the State of Arkansas could result in the repayment of a portion of the grant, which we may not be able to repay or finance on favorable terms. In January 2013, we entered into an agreement with the State of Arkansas whereby we were granted $ 1, 750, 000 for the relocation of the Company to Arkansas and for the purchase of equipment. The grant was contingent upon us having at least 50 full- time equivalent permanent positions within four years, maintaining at least 50 full- time equivalent permanent positions for the following six years and paying those positions an average total compensation of $ 90, 000 per year. In March 2021, we received an amendment to the agreement that revised the position maintenance requirement for the reporting period of March 31, 2022 to 43 full- time equivalent permanent positions. The agreement also extended the reporting period and position maintenance period an additional year to a total of six years ending on March 31, 2024. As of December 31, ~~2022~~ **2023** , we had ~~48~~ **43** full- time employees located in Arkansas. Failure to meet the requirements of the grant after the initial four- year period, may require us to repay a portion of the grant, up to but not to exceed the full amount of the grant. At December 31, ~~2022~~ **2023** , we accrued a contingent liability of $ ~~10~~ **35** , 000 for the lower than required employment. Financial Risks Our business is seasonal and our financial results may vary significantly from period to period. Our future results of operations may vary significantly from quarter to quarter and year to year because of numerous factors, including seasonality. Historically, in the later part of the fourth quarter and the earlier part of the first quarter we experience lower Revenue Per Click (" RPC ") due to a decline in demand for inventory on website and app space and the recalibrating of advertiser' s marketing budgets after the holiday selling season. If we are not able to appropriately adjust to seasonal or other factors, it could have a material adverse effect on our financial results. Our quarterly operating results can be difficult to predict and can fluctuate substantially, which could result in volatility in the price of our common stock. Our quarterly revenues and other operating results have varied in the past and are likely to continue to vary significantly from quarter to quarter. Our agreements with distribution partners and key customers do not require minimum levels of usage or payments, and our revenues therefore fluctuate based on the actual usage of our service each quarter by existing and new distribution partners. ~~In addition to the impact of the COVID- 19 pandemic on our revenues, quarterly~~ **Quarterly** fluctuations in our operating results also might be due to numerous other factors, including: ~~•~~ · our ability to attract new distribution partners, including the length of our sales cycles, or to sell increased usage of our service to existing distribution partners; ~~•~~ · technical difficulties or interruptions in our services; ~~•~~ · changes in privacy protection and other governmental regulations applicable to our industry; ~~•~~ · changes in our pricing policies or the pricing policies of our competitors; ~~•~~ · the financial condition and business success of our distribution partners; ~~•~~ · purchasing and budgeting cycles of our distribution partners; ~~•~~ · acquisitions of businesses and products by us or our competitors; ~~•~~ · competition, including entry into the market by new competitors or new offerings by existing competitors; ~~•~~ · discounts offered to advertisers by upstream advertising networks; · ~~• our history of litigation; •~~ our ability to hire, train and retain sufficient sales, client management and other personnel; ~~•~~ · timing of development, introduction and market acceptance of new services or service enhancements by us or our competitors; ~~•~~ · concentration of marketing expenses for activities such as trade shows and advertising campaigns; ~~•~~ · expenses related to any new or expanded data centers; and ~~•~~ · general economic and financial market conditions. ~~Ability~~ **11Ability** to maintain our credit facility could impact our ability to access capital in the future. On March 12, 2020 we closed a Loan and Security Agreement with Hitachi Capital America Corp. (" Hitachi") the terms of which are described in this report which replaced our credit facility with Western Alliance Bank. Under the terms of the Loan and Security Agreement, Hitachi has provided us with a $ 5, 000, 000 line of credit commitment which permits us to borrow against eligible accounts receivable and unbilled receivables. The Hitachi Loan and Security Agreement contains certain affirmative and negative covenants to which we are subject. As of December 31, ~~2022~~ **2023** , we were in compliance with these covenants. There are no assurances that we will be able to comply with all the covenants. In the event we violate a covenant, Hitachi may limit or demand all amounts due under the credit facility at any time, including upon an event of default outstanding, if any, to be due and payable. If this occurs and if we have outstanding obligations and are not able to repay, Hitachi could require us to apply all of our available cash to repay the debt amounts and could then proceed against the underlying collateral. Should this occur, we cannot assure you that our assets would be sufficient to repay our debt in full, we would be able to borrow sufficient funds to refinance the debt. In such an event, our ability to conduct our business as it is currently conducted would be in jeopardy. Significant dilution will occur when outstanding restricted stock unit grants vest. As of December 31, ~~2022~~ **2023** , we had ~~4~~ **7** , ~~913~~ **010** , ~~339~~ **016** restricted stock units outstanding. If the restricted stock units vest, dilution will occur to our stockholders, which may be significant. Our financial condition may be adversely affected if we are unable to identify and complete future acquisitions, fail to successfully integrate acquired assets or businesses, or are unable to obtain financing for acquisitions on acceptable terms. The acquisition of assets or businesses that we believe to be complementary to our business is an important component of our strategy. We believe that acquisition opportunities may arise from time to time, and that any such acquisitions could be significant. At any given time, discussions with one or more potential sellers may be at different stages. However, any such discussions may not result in the consummation of an acquisition transaction, and we may not be able to identify or complete any acquisitions. We cannot predict the effect, if any, that any announcement or consummation of an acquisition would have on the trading price of our ordinary shares. Our business is capital intensive and any such transactions could involve the payment by us of a substantial amount of cash and / or equity securities. We may need to raise additional capital through public or private debt or equity financings to execute our growth strategy and to fund acquisitions. Adequate sources of capital may not be available when needed on favorable terms. If we raise additional capital by issuing additional equity securities or use equity securities for acquisitions, existing shareholders may be diluted. If our capital resources are insufficient at any time in the future, we may be unable to fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could harm our business. Any usage of capital to fund an acquisition could lead to a decrease in liquidity. Any future acquisitions could present a number of risks, including: • the risk of using management time and resources to pursue acquisitions that are not successfully completed; • the risk of incorrect assumptions regarding the future results of acquired operations; • the risk that the amount and timing of the expected benefits of any acquisition, including potential synergies, are subject to uncertainties; • the risk of unexpected losses of key employees, customers and suppliers of the acquired business; • the risk of increasing the scope, geographic diversity, and complexity of our business; • the risk of unfavorable accounting treatment and unexpected increases in taxes; • the risk of difficulty in conforming standards, controls, procedures, policies, business cultures, and compensation structures; • the risk of failing to integrate the operations or management of any acquired operations or assets successfully and in a timely manner; and • the risk of diversion of management' s attention from existing operations or other priorities. If we are unsuccessful in completing acquisitions of other operations or assets, our financial condition could be adversely affected and we may be unable to implement an important component of our business strategy successfully. In addition, if we are unsuccessful in integrating our acquisitions in a timely and cost- effective manner, our financial condition and results of operations could be adversely affected.