

Risk Factors Comparison 2025-03-10 to 2024-03-15 Form: 10-K

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An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors in evaluating our business. If any of these risks, or other risks not presently known to us or that we currently believe are not significant, develops into an actual event, then our business, financial condition and results of operations could be adversely affected. If that happens, the market price of our common stock could decline. Risks related to our financial performance We have a history of losses, and achieving sustained profitability may take longer than we anticipate or may not be achievable. We recorded substantial losses ~~from continuing operations~~ in each of the last ~~four~~ **five** fiscal years (notwithstanding the income we recognized in 2022 from the sale of the inertial navigation business and in 2021 from the forgiveness of ~~the a PPP Loan loan~~). Although our ~~business was~~ **continuing operations were** profitable in the fourth quarter of 2022 and second quarter of 2023, we may **continue to** incur losses in the future as we face increasingly stiff competition. **Our recent restructuring, workforce reductions and as we increase satellite capacity other cost- reduction measures may be insufficient to handle offset recent and accelerating reductions in our revenues** ~~growing subscriber base~~. Recent inflation in the prices of goods and services, including wages, has **also** hampered our ability to improve profitability. In order to maintain and improve our competitive position, generate revenue and achieve sustained profitability, we must **continue to** grow our airtime subscriber base, reduce our bandwidth costs, and continue to introduce new and improved solutions. Our inability to accomplish any of these goals could have a material adverse effect on our revenues, profitability and cash flow, and we cannot assure you when, or whether, we will ~~regain~~ **achieve** sustained profitability. **Our losses may increase if we are unable to effectively adapt to changes in our business and industry. The traditional geosynchronous satellite communications industry is experiencing significant disruption arising from customers' rapid transition to less expensive LEO services, including Starlink, as well as increased reliance on other forms of data transmission, including Wi- Fi and cellular data services. Like others in our industry, we are experiencing reduced demand for our traditional satellite communications services and products, which we expect will continue. Although we are adapting to this transition by becoming an authorized reseller of Starlink, OneWeb, and cellular data services and related products, there can be no assurance that we will generate the same level of revenue or gross margin from these sources that we derived from sales of VSAT airtime and related products. Moreover, our VSAT services require a separate infrastructure, which generates certain costs that are relatively fixed for a period of time. As customers transition away from VSAT services, our remaining VSAT services become less profitable and may eventually become insufficiently profitable to continue. If we are unable to efficiently operate both VSAT and LEO services and cost- effectively manage the ongoing transition to the latter, the expenses we incur may exceed associated revenues and thereby increase our losses**. Fluctuations in our quarterly net sales and results of operations could depress the market price of our common stock. Our quarterly net sales and results of operations could continue to vary significantly for various reasons, many of which are outside our control. For example, **service sales declined 19.5 % in the fourth quarter of 2024 compared to the fourth quarter of 2023, and** ~~product sales declined 48~~ **increased 23.6 %** in the fourth quarter of ~~2023-2024~~ compared to the fourth quarter of ~~2022-2023~~. You should not rely on quarter- to- quarter comparisons of our results of operations as an indication of future performance. Our net sales or results of operations in a quarter may fall below the expectations of securities analysts or investors. If this occurs, the market price of our common stock could fall significantly. Our results of operations can fluctuate for many reasons, including **the impact of competition and resulting** changes in demand for our products and services; delays in order fulfillment, including as a result of shortages of components and raw materials; the mix of **services and** ~~products and services~~ we sell, including the mix of fixed rate and metered contracts for airtime services; our ability to manufacture, test and deliver products in a timely and cost- effective manner; the timing of new service and product introductions by us or our competitors; the scope and success of our investments in research and development; expenses incurred in pursuing acquisitions and investments; expenses incurred in expanding, maintaining, or improving our global HTS network; market and competitive pricing pressures; unanticipated charges or expenses, such as the aggregate \$ 6. 0 million impairment charges to goodwill and long- lived assets we recorded in the third quarter of 2023; the \$ **1. 1 million impairment charges to long- lived assets we recorded in the third quarter of 2024; the \$ 5. 2 million charge** related to ~~the an~~ **inventory write- down, the \$ 3. 6 million provision for excess purchase order obligations and the \$ 2. 1 million charge for the discontinuation of a project for implementing a new manufacturing- centric accounting system that we recorded in the fourth quarter of 2023; expenses incurred in responding to stockholder activism; general economic climate; seasonality of pleasure boat and recreational vehicle usage; and the impact of supply chain disruptions. A large portion of our expenses, including expenses for network infrastructure, facilities, equipment, and personnel, are relatively fixed. If our net sales** **continue to decline or do not grow as we anticipate, we may be unable to maintain or improve our operating margins will also likely decline**. Any failure to achieve anticipated net sales could therefore significantly harm our operating results. A material increase in sales of third- party airtime services and products could reduce our gross margins and our profitability. The gross margin percentage from our VSAT airtime services in ~~most~~ **some** cases ~~significantly~~ exceeds the gross margin percentage from other third- party products and airtime services. To the extent that the mix of airtime services we sell shifts away from VSAT services, our gross profit dollars ~~may~~ **will** decline, perhaps materially, if we are unable to significantly increase revenue on non- VSAT airtime services, which will reduce our profitability. Risks related to our operations Our planned transition to reliance on third- party hardware products may be unsuccessful. In February 2024, we announced a staged wind- down of our product manufacturing operations, which was driven by reduced demand for our hardware products in the face of intensifying

competition. We plan to discontinue our capital- intensive manufacturing activities by the end of ~~the second quarter of 2024~~ **2025** and concentrate instead on growing sales of our multi- orbit, multi- channel, integrated communications solutions, including a transition to rely increasingly, and eventually exclusively, on third- party hardware compatible with our solutions. This multi- year strategy entails significant risks, including the loss of competitive differentiation as a leading manufacturer of award- winning products, the potentially irreversible loss of manufacturing expertise and know- how, increased dependence on third- party manufacturers and suppliers, the loss of control over technological innovations and improvements, significantly lower profit margins on third- party product resales, potential technological incompatibility with third- party hardware, potential additional significant provisions for excess and obsolete inventory and other charges, unanticipated expenses, and increased competition for service customers from product manufacturers. If we were to experience a resurgence in demand for our ~~current~~ products, we may be unable to restart internal production or to engage a third party to reliably manufacture and deliver them on time and at an affordable cost. Accordingly, this strategic transition entails meaningful execution risk, particularly in light of our ~~recently announced reduction~~ **reductions** - in- force **in 2024** and the resulting loss of experienced employees. The failure to implement a successful transition to a new business model based upon third- party hardware would have a material adverse effect on our business, revenues and results of operations. Our future success will depend in part on the services of our executive officers and key employees. The Company' s future success depends to a significant degree on the skills and efforts of our executive officers and key employees. ~~Our~~ **Most of our** executive officers and key employees are at- will employees ~~;~~ **competition** ~~Competition is intense~~ **is intense**, and they could terminate their employment with us at any time. We do not maintain key- person life insurance on any of our personnel. Accordingly, the loss of one or more of our executive officers or key employees could have a material adverse effect on our business. If we cannot effectively manage changes in our business and continue to attract and retain skilled personnel, our business may suffer. If we cannot adjust expenses in response to changes in our operations, our results of operations may be harmed. For example, the relatively fixed costs associated with our manufacturing operations prevented us from reducing those costs quickly in response to recent, rapid reductions in demand, resulting in negative product margins. To manage changes in our business effectively, we must, among other things, successfully complete the wind- down of our manufacturing operations, including correctly estimating the number of units to produce; secure appropriate satellite capacity to match demand for airtime services; manage our inventory more effectively, particularly in light of the substantial provision for excess and obsolete inventory that we recorded in the fourth quarter of 2023; effectively manage our working capital; ensure robust cybersecurity protection of ~~Company KVH~~ and customer data and systems; and ensure that our procedures and internal controls are revised and updated to remain effective for our smaller workforce and the reduced size and scale of our business operations. We are highly dependent on qualified personnel at all levels, including our senior management team and other key technical, operational, managerial and sales and marketing personnel, each of whom would be difficult to replace. Our ~~current reduction~~ **reductions** - in- force **in 2024** ~~increases~~ **increased** our dependence on continuing personnel. If we fail to retain and attract the necessary personnel, we may be unable to achieve our business objectives and may lose our competitive position, which could lead to a significant decline in net sales. The current job market for personnel is very competitive, resulting in increased compensation. We face challenges retaining our personnel and attracting new personnel to fulfill our unmet needs, particularly in light of our recent reductions- in- force. Replacing key personnel may be difficult and may take an extended period of time because of the limited number of individuals with the skills and experience to execute our business strategy. We may be unable to identify or employ qualified personnel for any such position on acceptable terms, if at all. We may also need to pay higher compensation than we expect, which would make it more difficult to achieve our goal of sustained profitability. Future strategic activities could disrupt our business and affect our results of operations. In response to increasing competitive pressure, we may take additional measures intended to increase profitability and align our business more closely with our current strategic and financial objectives, including engagement with new suppliers, further modifications to our manufacturing arrangements and other cost- reduction efforts. For example, in February 2024 we announced a staged wind- down of our manufacturing operations and a related reduction- in- force of 75 employees, as a result of which we have incurred ~~or expect to incur~~ aggregate charges of approximately \$ 14. ~~2.8~~ million, consisting of a \$ 5. 2 million non- cash charge related to ~~the an~~ inventory write- down, a \$ 3. 6 million provision for excess purchase order obligations, approximately \$ 3. ~~3-9~~ million of severance charges, and ~~a~~ \$ 2. 1 million charge for the discontinuation of a project for implementing a new manufacturing- centric accounting system. We may also choose to dispose of assets or make strategic divestitures, such as the sale of our inertial navigation business in August 2022. **During the third quarter of 2024, we commenced plans to sell the warehouse building and surface parking lot located at 75 Enterprise Center in Middletown, Rhode Island, and the property, building, improvements, and land located at 50 Enterprise Center in Middletown, Rhode Island.** These efforts may not succeed in improving profitability. Any of these changes could be disruptive to our business and could result in significant expense, including losses on any asset disposition or divestiture, accounting charges for any inventory or technology- related write- offs or any workforce reduction costs, such as those described ~~elsewhere~~ **elsewhere** in ~~earlier~~ risk factors. We could incur significant transaction costs, including for potential transactions that do not proceed. Substantial expense or charges resulting from restructuring activities, dispositions of assets or divestitures could adversely affect our results of operations and use of cash in the periods in which we take these actions. Any disposition of assets or divestiture could also result in the retention of liabilities and expenses that are not assumed by the buyer or the loss of operating income from the divested assets or operations, either of which could negatively impact profitability after any divestiture. We must generate a certain level of service sales in order to maintain or improve our service gross margins. As a result of our global satellite network infrastructure, we incur certain costs that generally do not vary directly in proportion to the volume of service sales, and we have limited ability to reduce these fixed costs. ~~The cost of our HTS network has increased significantly each year as we have expanded our network to accommodate additional subscriber demand and / or coverage areas.~~ If service sales, including through our AgilePlans subscription model, **continue to** ~~do not generate the level of revenue that we~~

expect or if those revenues decline, our service gross margins would likely will also continue to decline. The failure to improve our global HTS service gross margins and unit or subscriber sales would have a material adverse effect on our overall profitability. **During the second quarter of 2024, we prepaid \$ 17. 0 million for access to a large block of Starlink Mobile Priority data at favorable rates. If the volume of services sales is not significant enough to consume this pooled data within the applicable period, our gross margins will suffer. While we currently expect to consume all of this pooled data within the contract period, if at any time we were to determine that it is more likely than not that we would not consume a portion of the pooled data, we may expense the applicable portion at the time of each such determination.** Our ability to compete in the maritime airtime services market will be impaired if we are unable to provide sufficient service capacity to meet customer demand. We currently offer our global HTS VSAT service in the Americas, Europe, the Middle East, Africa, Asia-Pacific, Indian, and Australian and New Zealand waters. We may need to expand capacity in existing coverage areas to support our subscriber base. If we are unable to reach economical agreements with third- party satellite providers to support our global satellite services and its technology or if transponder capacity is unavailable to meet growing demand in a given region, our ability to provide airtime services will be at risk and could reduce the attractiveness of our products and services. Our results of operations are adversely affected by unseasonably cold weather, prolonged winter conditions, disasters or similar events. Our leisure marine business is highly seasonal, and seasonality can also impact our commercial marine business. Historically, we have generated the majority of our leisure marine product revenues during the first and second quarters of each year, and these revenues typically decline in the third and fourth quarters of each year, compared to the first two quarters. Temporary suspensions of our airtime services typically increase in the fourth and first quarters of each year as boats are placed out of service during winter months. Our leisure marine business is also significantly affected by the weather. Unseasonably cool weather, prolonged winter conditions, hurricanes, unusual amounts of rain, and natural and other disasters may decrease boating, which could reduce our revenues. Specifically, we may encounter a decrease in new airtime activations as well as an increase in the number of cancellations or temporary suspensions of our airtime service. We are winding down our single manufacturing facility, and any significant disruption to this facility in the near term will impair our ability to deliver our products. We manufacture all of our products at our manufacturing facility in Middletown, Rhode Island, and we have begun to wind down our manufacturing operations at that facility. We currently plan to ~~cease~~ **discontinue the majority of our capital-intensive manufacturing products-activities** by the end of the second quarter of 2024 **2025**. Some of our production processes are complex, and we may be unable to respond rapidly to the loss of the use of our production facility. For example, we use some specialized equipment that may take time to replace if it is damaged or becomes unusable for any reason. In that event, shipments would be delayed, which could result in customer or dealer dissatisfaction, loss of sales and damage to our reputation. In light of the wind- down, we may elect to halt production rather than to incur significant expenses to repair or replace manufacturing equipment, which may limit our production and accelerate the loss of product sales. Acquisitions and strategic relationships may disrupt our operations or adversely affect our results. We evaluate opportunities to acquire other businesses and pursue other strategic relationships as they arise. The expenses we incur evaluating and pursuing acquisitions and strategic relationships could have a material adverse effect on our results of operations. If we acquire a business, we may be unable to manage it profitably or successfully integrate its operations with our own. Moreover, we may be unable to realize the strategic, financial, operational and other benefits we anticipate, and any acquisition or strategic relationship may increase our operating expenses. Further, our approach to acquisitions and strategic relationships may involve a number of special financial and business risks, such as entry into new and unfamiliar lines of business or markets, which may present challenges or risks that we did not anticipate; entry into new or unfamiliar geographic regions, including exposure to additional tax and regulatory regimes; increased expenses associated with the amortization of acquired intangible assets; increased exposure to fluctuations in foreign currency exchange rates; charges related to any abandoned acquisition; diversion of our management' s time, attention, and resources; loss of key personnel; increased costs to improve or coordinate managerial, operational, financial, and administrative systems, including internal control over financial reporting; dilutive issuances of equity securities; the assumption of legal liabilities; and losses arising from impairment charges associated with goodwill or intangible assets. Risks related to our industry

Increasingly intense competition may limit our ability to sell our products and services. The mobile connectivity market is intensely competitive, and we expect the intensity of competition to continue to increase in the future. We may not be able to compete successfully against current and future competitors, which would impair our ability to sell our products and services. **We are facing** Competition continued to intensify significantly -- **significant competition** in 2023, both from companies that seek to compete primarily on price as well as new, emerging **NGSO-LEO** services, such as Starlink and OneWeb, as well as future LEO services such as Kuiper, Telesat, and others. **Competition from these sources increased dramatically in 2023 and 2024 and continues in 2025, leading to material reductions in our VSAT subscriber base.** These companies may continue to implement price reductions and discounts for both products and services, which have required us to reduce our prices or offer discounts in an effort to ~~maintain or increase~~ **prevent erosion of** our market share. The majority of our customers have no long-term commitment and can switch providers without penalty. For example, ~~AgilePlan~~ **AgilePlans** customers are on month- to-month agreements. **In the third quarter of 2024, we received** and our agreement with **processed the anticipated service downgrade request from** the U. S. Coast Guard, **which reduces anticipated revenue from this customer for 2025 through 2027 by approximately 95 %.** As a ~~result~~ **significant government customer, we expect to generate substantially less revenue from the** is structured as an indefinite delivery / indefinite quantity contract. The U. S. Coast Guard, **For example** has advised us that it intends to transition its primary satellite service relationship on the vessels we currently serve to Starlink, as a result of which we currently anticipate a material decline in revenue from the **U. S. Coast Guard starting declined from approximately \$ 2. 4 million** in the second ~~third~~ **quarter of 2024 to approximately \$ 0 . 6 million in the fourth quarter of 2024.** Many ~~Current-current~~ and future competitors have greater financial resources than we do, enabling them to operate at lower margins to gain market share. We believe increased competition contributed ~~materially~~ to the ~~decrease~~ **decreases** in **both**

our service sales and our product sales in **2023-2024**, including unit sales of our VSAT products, and we expect that this trend will continue in future periods. Some of our VSAT competitors have already leveraged partnerships amongst themselves in order to capture larger combined market share. Further, some of the companies that we depend on to supply us with capacity on satellite communications networks may vertically integrate by introducing their own products and services to compete with ours, which might motivate them to stop providing satellite network capacity to us, or to make it available on less favorable terms. **The Although KVH is a tier 1 reseller of Starlink LEO terminals and service services, we continues-- continue to adversely impact our business, particularly within face competitive challenges both from Starlink direct sales as well as from an expanding network of the other Starlink retailers** global leisure segment. A significant number of leisure customers have adopted Starlink systems for both two- way communications as well as streaming, which has impacted both our VSAT Broadband and TracVision **satellite TV** businesses. Although our leisure business accounts for less than 15 % of our total revenue, competition from Starlink **from various sources has had some adversely-- adverse impacted-- impact on** our commercial business as well, particularly our growth in that segment **and our overall VSAT subscriber base**. While we **have historically grown** **did increase our subscriber count in the second, third and fourth quarters of 2024, spurred by an increase in subscribers for Starlink service provided by KVH,** the total number of our subscribers **declined in sequential quarters-- in the third and fourth quarters-- quarter** of 2023 **the total number of our subscribers declined one percent and four percent, respectively, as a result of the first quarter of 2024** net churn in our leisure business and the slower net growth in our commercial business. If this trend continues and we are unable to **sustain growth** develop a competitive alternative, it could **would** have a material adverse effect on our revenue, profitability, and cash flow. In the marine market for high- speed Internet, voice, fax, and data services, we **have historically compete-- competed** primarily with **Marlink, Speedcast, Viasat / Inmarsat ; Marlink, Speedcast, Viasat**, and Network Innovations, along with smaller, single- hub regional services **to deliver VSAT service**. Additionally, we are facing meaningful competition from new **NGSO networks LEO- focused providers** such as SpaceX' s Starlink and **OneWeb-- an emerging group of smaller providers, such as Clarus, Pivotal and Elcome**. We also face competition from providers of low- speed data services, which include **Viasat / Inmarsat and Iridium Satellite LLC**. In the marine market for satellite TV equipment, we compete primarily with Intellian, Cobham **SATCOM-- satcom** and Raymarine (Intellian- made). In the marine market for two- way communications equipment, we compete primarily with Intellian and Cobham **satcom** SATCOM. **In the market for land mobile satellite TV equipment, we compete primarily with King Controls and Winegard Company**. In the markets for media content, the KVH Media Group competes primarily with Swank Motion Pictures, Baze Technology, and **PressReader-- NewspaperDirect, Inc.** Many **Some** of our competitors are well- established companies that have substantially greater financial, managerial, technical, marketing, personnel, and other resources than we do, which may help them to compete more effectively against us. We depend on sole or limited source suppliers, and any disruption in supply could impair our ability to deliver our products on time or at expected cost. We obtain many **products and key** components for our products **, including Starlink terminals,** from third- party suppliers, and in some cases we use a single or a limited number of suppliers. Any interruption in supply could impair our ability to deliver **our the** products **we sell** until we identify and qualify a new source of supply, which could take several weeks, months or longer and could increase our costs significantly. For example, the global chip shortage and supply chain constraints resulting from the COVID- 19 pandemic adversely impacted our ability to deliver products in a timely manner and increased our cost of sales due to rising prices for materials. We **estimate that raw material costs exceeded our expectations by approximately \$ 0. 8 million in 2023.** We may not be able to pass along any of these cost increases to our customers, and customers may not wait for **our** products to become available. These disruptions in our supply chain could worsen, which could delay delivery of **our** products and services and adversely affect our revenue and results of operations. Suppliers might change or discontinue **products or** key components, which could require us to modify our product designs or cease production **or sales**. In general, we do not have written long- term supply agreements with our suppliers but instead buy **products and** components through purchase orders, which expose us to potential price increases and termination of supply without notice or recourse. We generally do not carry significant inventories of **product-- products or** components, which could magnify the impact of the loss of a supplier. If we must use a new source of supply, we could face unexpected manufacturing difficulties and loss of product performance or reliability. In addition, lead times for certain **products or** components can increase significantly due to imbalances in overall market supply and demand. This, in turn, could limit our ability to satisfy demand for **our the** products **we sell** and could result in the cancellation of customer orders. Changes in the competitive environment, customer demand, supply chain issues, and the transition to new products may require inventory write- downs **and / or the disposal of AgilePlans revenue- generating fixed assets**. From time to time, we have recorded significant inventory charges and / or inventory write- offs as a result of substantial declines in customer demand. For example, in 2023, we recorded a \$ 5. 2 million inventory write- down charge and a \$ 3. 6 million charge for excess purchase order obligations, both relating to the reduced demand for our hardware products, which **has led to the staged wind- down of our manufacturing activities at our facility in Middletown, Rhode Island that we began in 2024 . We have also recorded significant losses on the disposal of AgilePlans revenue- generating fixed assets due to the decline in customer demand of VSAT Broadband AgilePlans units. For example, in 2024 we recorded a non- cash \$ 0. 9 million loss related to the disposal of AgilePlans revenue- generating fixed assets in which no proceeds were received**. Market or competitive changes, such as a continuation of the decline in demand for our **TracVision-- hardware** products that we experienced in 2023 **and 2024**, could lead to future charges for excess or obsolete inventory **or losses on fixed assets**, especially if we are unable to appropriately adjust the supply of material from our vendors, as we were unable to do in 2023. Risks related to our dependence on third parties and third- party technology Our mobile satellite communications solutions currently depend on third- party satellite services, gateway teleports and terrestrial networks provided by third parties, and a disruption in those services could adversely affect sales. Our **mobile satellite** communications solutions utilize third- party satellite services **and other communication networks**. We do not own the satellites that provide two- way satellite

communications or, the terrestrial networks that interconnect our facilities with the satellite teleports that communicate with the satellites, or any other communication network. Intelsat and Sky SKY Perfect – JSAT currently provide the satellite capacity to support our global high- throughput satellite (HTS) broadband service, our TracNet H- series and TracPhone V- HTS series products and third- party products compatible with our services. Vodafone currently provides the 5G / LTE services used by our TracNet H- series terminals and compatible third- party products to provide cellular service in 150 countries. For our TracNet Coastal products launched in December 2024, we purchase 5G / LTE cellular data from T- Mobile for service in the U. S. and Vodafone for service globally. Additionally, we purchase cellular data from Flexiroam, a Mobile Virtual Network Operator (MVNO) with connectivity in over 200 countries. Starlink provides the data services for Starlink LEO services, while Eutelsat OneWeb will provide provides the data connectivity for OneWeb LEO service, which we anticipate began providing for maritime use in the January second quarter of 2024 2025. We rely on Viasat / Inmarsat for satellite communications services for our FleetBroadband- compatible and FleetOne- compatible products. We also have an arrangement with Iridium for additional satellite communications services that we make available to our customers as a backup option to provide communications redundancy with our primary service offerings. In addition, we have agreements with various teleports and Internet service providers around the globe to support our global HTS broadband service. The terrestrial fiber links that we use to connect with the Internet and to move our VoIP and data services between our facilities and the various satellite earth stations that support our services are provided to us through numerous service providers, some of which have contractual relationships with our satellite service providers and not directly with us. We currently offer satellite television solutions compatible with the DIRECTV and DISH Network services in the United States, the Bell TV service in Canada, the Sky Mexico service in Mexico, the Sky UK service in the United Kingdom, Canal service in France and Movistar service in Spain, and other regional satellite TV services in other parts of the world. We exercise little or no control over these third- party providers of satellite, teleport, and terrestrial network services, which increases our vulnerability to problems with the services and coverage they provide. Due to our reliance on these service providers, when problems occur, it may be difficult to identify the source of the problem. Service disruption or outages, regardless of whether they are caused by our service, the equipment or services of our third- party service providers, or our customers' or their equipment and systems, may result in loss of market acceptance of our service, and any necessary repairs or other remedial actions may cause us to incur significant costs and expenses. Any failure on the part of third- party service providers to achieve or maintain expected performance levels, stability, and security, or adequate data service coverage in key regions could harm our relationships with our customers, result in claims for credits or damages, damage our reputation, significantly reduce customer demand for our solution and seriously harm our financial condition and operating results. If customers become dissatisfied with the pricing, service, availability, programming or other aspects of any of these satellite services, or if any one or more of these services becomes unavailable for any reason, we could suffer a substantial decline in sales of the satellite services or products or services we offer. There may be no alternative satellite service provider available to us in a particular geographic area, and the modem or other technology our customers use may not be compatible with the technology of any alternative service provider that may be available. Even if available, delays caused by switching our systems to another service provider, if available, and qualifying this new service provider could materially harm our customer relationships, business, financial condition, and operating results. In addition, the unexpected failure of a satellite could disrupt the availability of programming and services, which could reduce the demand for, or customer satisfaction with, the services or products and services we offer. We depend on cloud- based data services operated by third parties, and any disruption in the operation of these services could harm our business. Some of our content services and business records are hosted by various cloud- based data services operated by third parties. Any failure or downtime in one of these services could affect a significant percentage of our customers. Although we control and have access to our servers and the components of our network that are located in our internal facilities and certain of our external data facilities, we do not control the operation of external facilities. The providers of our data management services have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one or more of our data management service providers is acquired, closes, suffers financial difficulty or is unable to meet our growing capacity needs, we may be required to transfer our data to other services, and we may incur significant costs and service interruptions in connection with doing so, which could harm our reputation with our customers and adversely affect our revenues and results of operations. Our media and entertainment business relies on licensing arrangements with content providers, and the loss of, or changes in, those arrangements could adversely affect our business. We distribute premium movies, television programming, news, television shows, sports, and movies music to commercial customers in the maritime and hotel markets- market. We license this content from third parties on a non- exclusive basis without long- term license agreements. Any content provider could terminate our arrangements without notice or could adversely modify the terms of the arrangement, including price increases. Further, the licenses we obtain are limited in scope, and any violation of the terms of a license could expose us to liability for copyright infringement. We pay license fees based in part on the revenue we generate from sublicenses, and our licensors generally have the right to audit our records. Failure to pay required license fees could result in termination of our license rights, penalties and damages. The loss of content could adversely affect the attractiveness of our media and entertainment offerings, which could in turn adversely affect our revenues. Any increase in the cost of content could reduce the profitability of these offerings. Cybersecurity breaches could disrupt our operations, expose us to liability, damage our reputation, and require us to incur significant costs or otherwise adversely affect our financial results. We are highly dependent on information technology networks and systems, including the Internet and third- party systems, to securely process, transmit and store electronic information, including personal information of our customers. We also retain sensitive data, including intellectual property, proprietary business information, personally identifiable information, credit card information, and usage data of our employees and customers on our computer networks and those of third parties. Although we take certain protective measures and endeavor to modify them as we believe circumstances warrant, invasive technologies and techniques continue to

evolve rapidly, and increasingly sophisticated hacking organizations are targeting business systems. As a result, the computer systems, software and networks that we use are vulnerable to disruption, shutdown, unauthorized access, misuse, erasure, alteration, employee error, phishing, computer viruses, ransomware or other malicious code, and other events that could have a material security impact. The protective measures on which we rely may be inadequate to prevent or detect all material cybersecurity breaches or determine the extent of any material breach, and there can be no assurance that material undetected breaches have not already occurred. If any material cybersecurity event were to occur, it could disrupt our operations, distract our management, cause us to lose existing customers and fail to attract new customers, as well as subject us to regulatory actions, litigation, fines, damage to our reputation or competitive position, or orders or decrees requiring us to modify our business practices, any of which could have a material adverse effect on our financial position, results of operations or cash flows. Risks related to economic conditions and trade relations Our revenues, results of operations and financial condition may be adversely impacted by economic turmoil, war, political instability, declines in consumer and enterprise spending. Economic and political conditions in the geographic markets we serve have experienced significant turmoil over the last several years, including **recent changes in U. S. geopolitical priorities**, a potential global recession, slow economic activity, war and refugee crises in the Middle East and Europe, tight credit markets, inflation and deflation concerns, increased interest rates, low consumer confidence, limited capital spending, adverse business conditions, terrorist attacks, changes in government priorities, trade wars, anti- globalization movements, efforts to combat climate change, restrictions on commercial fishing, a government shutdown, gridlock from a divided Congress, and liquidity concerns. These factors vary in intensity by region. For example, the war in the Middle East has resulted in periodic disruptions to global shipping, which could intensify and result in significant delays in shipments of products or supplies, materially increased shipping costs and loss of revenues. We cannot predict the timing, duration, or ultimate impact of turmoil on our markets or our suppliers. We expect our business would be adversely impacted by any significant turmoil, to varying degrees and for varying amounts of time, in all our geographic markets. Changes in U. S. trade policy, including changes to existing trade agreements and any resulting changes in international trade relations, may have a material adverse effect on us. ~~The U. S. may continue~~ **new presidential administration has introduced dramatic changes to alter its the United States'** approach to international trade, which may **adversely** impact existing bilateral or multi-lateral trade agreements and treaties with foreign countries. The U. S. has imposed **significant** tariffs on **certain a wide range of** foreign goods and may **continue to** increase tariffs or impose new ones, and certain foreign governments have retaliated and may continue to do so. We derive a majority of our revenues from international sales, which makes us especially vulnerable to increased tariffs. ~~Changes~~ **Unpredictable and shifting priorities** in U. S. trade policy ~~have created ongoing~~ **are generating significant** turmoil in international trade relations, and it is unclear what future actions governments will or will not take with respect to tariffs or other international trade agreements and policies. **For example, President Trump recently imposed tariffs ranging from 10 % to 25 % on an array of imports from Canada, Mexico and China. In response, these countries have imposed or announced intentions to impose retaliatory tariffs on U. S. exports and other restrictions on trade with the U. S. It is unclear what further action the presidential administration will take with respect to tariffs.** Ongoing or new trade wars or other governmental action related to tariffs or international trade agreements or policies could reduce demand for our **services and** ~~products and services~~, increase our costs, reduce our profitability, adversely impact our supply chain or otherwise have a material adverse effect on our business and results of operations. Changes in foreign currency exchange rates may negatively affect our financial condition and results of operations. We face significant exposure to movements in exchange rates for foreign currencies, particularly the pound sterling and the euro. ~~When~~ **For example, during 2022,** the U. S. dollar ~~strengthened~~ **strengthens** against certain foreign currencies, ~~which this adversely affected~~ **affects** revenues reported in U. S. dollars and ~~decreased~~ **decreases** the reported value of our assets in foreign countries. Conversely, ~~when~~ the U. S. dollar ~~weakened~~ **weakens** against certain foreign currencies **during 2023, this positively affects revenues reported in U. S. dollars and increases the reported value of our assets in foreign countries**. We also have intragroup receivables and liabilities, such as loans, that can generate significant foreign currency effects. Changes in exchange rates, particularly the U. S. dollar against the pound sterling, could lead to the recognition of unrealized foreign exchange losses. Certain of our products and services are sold internationally in U. S. dollars; if the U. S. dollar strengthens, the relative cost of these products and services to customers located in foreign countries would increase, which could adversely affect export sales. In addition, most of our financial obligations must be satisfied in U. S. dollars. Our exposures to changes in foreign currency exchange rates may change over time as our business practices evolve and could result in increased costs or reduced revenue and could adversely affect our cash flow. Changes in the relative values of currencies occur regularly and may have a significant impact on our operating results. We cannot predict with any certainty changes in foreign currency exchange rates or the degree to which we can cost- effectively mitigate this exposure. Risks related to intellectual property and technological innovation Our research and development efforts may be unsuccessful. If we are unable to improve our existing solutions and develop new, innovative solutions, our sales and market share ~~may~~ **will likely continue to** decline. The market for mobile connectivity solutions is characterized by rapid technological change, frequent new product innovations, changes in customer requirements and expectations, and evolving industry standards. For example, we are facing **significant** competition from new LEO networks such as **SpaceX's Starlink and Eutelsat OneWeb**. If we fail to make innovations in our existing **services and** ~~products and~~, **reduce the costs of our** ~~services and~~ **reduce the costs of our** ~~products and~~, **or successfully integrate third- party services and products into our portfolio**, our market share will likely **continue to** decline. ~~Products or services~~ **Services or products** using **these or other** new technologies, or emerging industry standards, could render our ~~services and~~ ~~products and~~ **obsolete. If our competitors' new or enhanced** ~~services~~ ~~obsolete. If our~~ ~~or~~ ~~competitors successfully introduce new or enhanced~~ ~~products~~ **either outperform or our** ~~services~~ ~~that outperform our~~ ~~or~~ ~~products or services~~ **offer greater value**, or are perceived as doing so, ~~we~~ **our sales** may **continue** ~~be~~ **unable to decline** ~~compete successfully in the markets affected by these changes~~. Research and development is inherently complex and uncertain, and our current and anticipated research and development projects may not achieve the results we seek.

The financial resources that we can devote to our research and development efforts may be insufficient to achieve our goals. Our efforts may not result in any viable ~~service or products~~ **product offerings** or may result in ~~service or products~~ **product offerings** whose performance, features, price or availability may not be attractive to customers or that we cannot ~~manufacture and sell~~ profitably. Our business may suffer if we cannot protect our proprietary technology. Our ability to compete depends in part upon our patents, copyrights, source code, and other proprietary technology. The steps we have taken to protect our technology may be inadequate to prevent others from using what we regard as our technology to compete with us. Our patents will eventually expire and could be challenged, invalidated or circumvented. Customers or others with access to our proprietary or licensed media content could copy that content without permission or otherwise violate the terms of our customer agreements, which would adversely affect our revenues and could impair our relationships with content providers. In addition, the laws of some foreign countries do not protect our proprietary technology to the same extent as the laws of the United States, which could increase the likelihood of misappropriation. Any misappropriation of our technology could seriously harm our competitive position, which could lead to a substantial reduction in net sales. If we resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome, disruptive and expensive. The proceedings could distract the attention of management, and we may not prevail. Claims by others that we infringe their intellectual property rights could harm our business and financial condition. Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. We cannot be certain that our products and services do not and will not infringe issued patents, patents that may be issued in the future, or other intellectual property rights of others. Risks related to government regulation Our international operations complicate our business and require us to comply with multiple regulatory environments. Historically, sales to customers outside the United States have accounted for an increasingly significant portion of our net sales. We derived ~~73 % and 68 % and 63 %~~ **73 % and 68 %** of our revenues ~~from continuing operations in 2024 and the years ended December 31, 2023 and 2022~~, respectively, from sales to these foreign customers. We have foreign offices in Denmark, the United Kingdom, Singapore, Japan, Norway and the Philippines, as well as a subsidiary in Brazil that manages local sales. Nonetheless, substantially all of our operations and a significant number of our **key** personnel are located in the United States. Our limited international operations may impair our ability to compete successfully in international markets and to meet the service and support needs of our customers in countries where we have little to no infrastructure. Risks associated with our international business activities may increase our costs and require significant management attention. These risks include restrictions on international travel, which may restrict our ability to grow and service our business; international shipping delays; tariffs; sanctions or other trade restrictions that preclude or restrict doing business with particular foreign governments, companies or individuals; technical challenges we may face in adapting our solutions to function with different satellite services and technology in use in various regions around the world; satisfaction of international regulatory requirements and delays and costs associated with procurement of any necessary licenses or permits; the potential unavailability of content licenses covering international waters and foreign locations; increased costs of providing customer support in multiple languages; increased costs of managing operations that are international in scope; potentially adverse tax consequences, including restrictions on the repatriation of earnings; protectionist laws and business practices that favor local competitors, which could slow our growth in international markets; potentially longer sales cycles; potentially longer accounts receivable payment cycles and difficulties in collecting accounts receivable; and economic and political instability in some international markets. We could incur additional legal compliance costs associated with our international operations and could become subject to legal penalties if we do not comply with certain regulations. Our international operations subject us to a number of legal requirements, including the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act and the customs, export, trade sanctions and anti- boycott laws of the United States, including those administered by the U. S. Customs and Border Protection, the Bureau of Industry and Security, the Department of Commerce, the Department of State, and the Office of Foreign Assets Control of the Treasury Department, as well as those of other nations. In addition, many of the countries where our customers use our **services and** ~~products and services~~ have licensing and regulatory requirements for the importation and use of satellite communications and reception equipment, including the use of such equipment in territorial waters, the transmission of satellite signals on certain radio frequencies, the transmission of VoIP services using such equipment and the reception of certain video programming services. These laws and regulations are continually changing, making compliance complex. We incur significant costs identifying and maintaining compliance with applicable licensing and regulatory requirements. Our training and compliance programs and our other internal control policies may be insufficient to protect us from acts committed by our employees, agents or third- party contractors. Any violation of these requirements by us or our employees, agents or third- party contractors may subject us to significant criminal and civil liability. Further, many of our commercial suppliers of satellite transmission capacity impose contractual obligations on us that permit them to suspend or terminate their provision of satellite services to support our network if we fail to maintain compliance with these laws and regulations. The loss of access to satellite capacity would materially and adversely affect our maritime communications service. We are subject to FCC rules and regulations, and any non- compliance could subject us to FCC enforcement actions, fines, loss of licenses and possibly restrictions on our ability to operate or offer certain of our services. The satellite communications industry in the United States is regulated by the Federal Communications Commission (FCC), and we are subject to FCC regulations relating to privacy, contributions to the Universal Service Fund, or USF, and other requirements. If we do not comply with FCC regulations, we could face enforcement actions, substantial fines, penalties, loss of licenses and possibly restrictions on our ability to operate or offer services. Any enforcement action by the FCC, which may be a public process, could hurt our reputation, impair our ability to sell our services to customers and harm our business and results of operations. Privacy concerns and domestic or foreign laws and regulations may reduce demand for our services, increase our costs and harm our business. Our company and our customers can use our services to collect, use and store personal, confidential and sensitive information regarding the content and manner of usage of our services by them, their employees and maritime crews. Federal,

state and foreign governments have adopted and are proposing new and more stringent laws and regulations regarding the collection, use, storage and transfer of information, such as the European Union's General Data Protection Regulation ("GDPR"). The costs of compliance with, and other burdens imposed by, such laws and regulations may limit the use and adoption of our services and reduce overall demand. Non-compliance with these laws and regulations could lead to significant remediation expenses, fines, penalties or other liabilities, such as orders or consent decrees that require modifications to our privacy practices, as well as reputational damage or third-party lawsuits seeking damages or other relief. For example, the GDPR imposes a strict data protection compliance regime with penalties of up to the greater of 2 %- 4 % of worldwide revenue or € 11-22 million. Domestic and international legislative and regulatory initiatives may harm our ability, and the ability of our customers, to process, handle, store, use and transmit information, which could reduce demand for our services, increase our costs and force us to change our business practices. These laws and regulations are still evolving, are likely to be in flux and may be subject to uncertain interpretation for the foreseeable future. Our business also could be harmed if legislation or regulations are adopted, interpreted or implemented in a manner that is inconsistent from country to country or inconsistent with our current policies and practices or those of our customers. Risks related to owning our common stock The market price of our common stock may be volatile. Our stock price has historically been volatile. During the period from January 1, 2018-2020 to December 31, 2023-2024, the trading price of our common stock ranged from \$ 4. 30-17 to \$ 15. 29. Many factors may cause our stock price to fluctuate, including variations in quarterly results; the introduction of new products and services by us or our competitors; adverse business developments; reductions- in- force; changes in estimates of our performance or recommendations by securities analysts; the hiring or departure of key personnel; acquisitions or strategic alliances involving us or our competitors; market conditions in our industry; and the global macroeconomic and geopolitical environment. Broad market fluctuations may adversely affect our stock price. When the market price of a company's stock drops significantly, stockholders often institute securities litigation against that company. Any such litigation could cause us to incur significant expenses defending against the claim, divert the time and attention of our management and result in significant damages.