Risk Factors Comparison 2024-02-26 to 2023-03-23 Form: 10-K

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Our future operating results are highly uncertain. Before deciding to invest in our common stock or to maintain or change your investment, you should carefully consider the risks described below, in addition to the other information contained in this Report and in our other filings with the SEC, including our other Annual Reports on Form 10- K, Quarterly Reports on Form 10- Q and Current Reports on Form 8- K. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations. If any of these risks actually occur, our business, financial condition or results of operations could be seriously harmed. In that event, the market price for our common stock could decline and you may lose all or part of your investment. Risks Related to our Business Operations We derive a significant portion of our revenues from sales to a concentrated number of clients, and a reduction in sales to any of them **have adversely impacted, and in the future** may adversely impact **,** our revenues and operating results. We sell our wireless products and solutions primarily to large wireless carriers, so there are a limited number of actual and potential customers for our products, resulting in significant customer concentration. For the year ended December 31, ~~2022~~ **2023** , sales to our ~~two~~ **three** largest customers comprised ~~40~~ **41** % **, 35 %,** and ~~38~~ **13** % of our revenues. No other customer was greater than 10 % of our revenues individually. As a result of the ~~pending June 30, 2023~~ termination of our family safety contract with our ~~second~~ largest customer ~~from~~ **in** ~~2022~~ **2023** , the percentage of our revenues that will be attributable to our other two largest customers ~~are~~ **is** likely to grow in future years if we are not successful in attracting new customers. Because of our relatively high customer concentration, a small number of significant customers possess a relative level of pricing and negotiating power over us, enabling them to achieve advantageous pricing and other contractual terms, including the ability to terminate their agreements with us with a limited amount of notice. **In addition, because our contracts generally provide our customers with the right and license, but not the obligation, to deploy our solutions to their end users, the existence of a contract does not guarantee that our solutions will be deployed as widely as we expect or at all.** Any material decrease in our sales to any of these customers, including the termination of contracts with any of these customers **or a customer' s curtailment or cessation of offering our solutions to their end users** , would materially affect our revenue and profitability. The reduction in sales or termination of relationships with any of these customers would also increase the customer concentration and risk as to our remaining large customers. If there are delays in the distribution of our products or if customer negotiations for our new products cannot occur on a timely basis, we may not be able to generate sufficient revenues to meet the needs of the business in the foreseeable future or at all. Our growth depends in part on our customers' ability and willingness to timely launch and deliver our products and services, to promote our products and services and to attract and retain new end user customers or achieve other goals outside of our control. We sell our wireless products for use on handheld devices primarily to our wireless carrier customers, who deploy our products for use by their end user customers. Our wireless carrier customers' launch of new or updated releases of our products and services may require that we enter into new or amended contracts with them and requires resource and scheduling commitments by our wireless carrier customers and the completion of their internal design, qualification, testing, and other go- to- market processes and approvals, many of which are outside of our control. In the event that we are unable to complete the necessary contract processes, or that our wireless carrier customers withhold or delay the commitment of resources or the completion of necessary internal processes or approvals, we may not be able to launch our new or updated products or services within the timeframes that we ~~expected~~ -- **expect** or at all, and our revenue and financial performance may be adversely affected. In addition, the success of our customers, and their ability and willingness to market to their end users the services that are supported by our products, is critical to our future success. Our ability to generate revenues from our software products and services is also constrained by our carrier customers' ability to attract and retain customers. We have limited input into or influence upon their marketing efforts and sales and customer retention activities. If our large carrier customers fail to maintain or grow demand for their services, revenues or revenue growth from our products designed for use on mobile devices will decline and our results of operations will suffer. If we are unable to retain key personnel, the loss of their services could materially and adversely affect our business, financial condition, and results of operations. Our future performance depends in significant part upon the continued service of our senior management and other key technical personnel. We do not have employment agreements with our key employees. The loss of the services of our key employees could materially and adversely affect our business, financial condition, and results of operations. Our future success also depends on our ability to continue to attract, retain, and motivate qualified personnel, particularly highly skilled engineers involved in the ongoing research and development required to develop and enhance our products. Competition for these employees remains high and employee retention is a common problem in our industry. Our inability to attract and retain the highly trained technical personnel that are essential to our product development, marketing, service, and support teams may limit the rate at which we can generate revenue, develop new products or product enhancements, and generally would have an adverse effect on our business, financial condition, and results of operations. Security breaches, improper access to or disclosure of our data, our customers' data or their end users' data, other hacking attacks on our systems or the third- party systems that we use, or other cyber incidents and privacy breaches could harm our reputation and adversely affect our business. We and / or the third- party systems that we use to deliver our products and services may be subject to cyber- attacks by third parties seeking unauthorized access to our data or our customers' or their end users' data or to disrupt our ability to provide service. Our products and services involve the collection, storage, processing, and transmission of data. The uninterrupted operation of our hosted solutions and the confidentiality and security of our data, our customers' and their end users' data, and other third- party information and materials is critical to our business. Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or our customers' data or their users' data, including personal information from users, or of the other third party information and materials in our possession or control, including pre- release mobile devices in our custody, could result in the loss, modification, disclosure, destruction, or other misuse of such data or materials, which could harm our business and reputation, subject us to material liability and diminish our competitive position. In addition, computer malware, viruses, and general hacking have become more prevalent and may occur on our systems or on the third- party systems that we use. Such breaches and attacks may cause interruptions to the services we provide, degrade the user experience, cause our customers and their users to lose confidence and trust in our products and services, impair our internal systems or the third- party systems that we use, and result in financial harm to us. If we are unable to protect, or our customers and mobile device manufacturer partners perceive that we are unable to protect, the security and privacy of information, data and materials in our care, our growth could be materially adversely affected, and we could be subject to material liability. A security or privacy breach may: • cause our customers to lose confidence in our solutions; • cause our mobile device manufacturer partners to cease doing business with us; • harm our reputation; • expose us to material liability; and • increase our expense from potential remediation costs. While we believe we use proven applications and have established adequate physical and technological safeguards designed for facility security, data security and integrity to process electronic transactions, there can be no assurance that these applications and safeguards will be adequate to prevent a security breach or that in the event of a security breach we will be able to react in a timely manner, or that our remediation efforts will be successful. We also cannot be certain that these applications and safeguards will be or remain sufficient to address changing market conditions or the security and privacy concerns of existing and potential customers and device manufacturer partners. Our efforts to protect our data, our customers' and their end users' data and the other third party information and materials we receive, and to disable undesirable activities on our systems, may also be unsuccessful due to software bugs or other technical malfunctions, employee, contractor, or vendor error or malfeasance, including defects or vulnerabilities in our vendors' information technology systems or offerings, breaches of security of our facilities or technical infrastructure, or other threats that may evolve in the future. In addition, our customers and end users may use our products and services in a manner which violates ~~security~~ **cybersecurity** or data privacy laws in one or more jurisdictions. Any significant or high- profile security breach, data privacy breach or violation of data privacy laws could result in the loss of business and reputation, litigation against us, liquidated and other damages, and regulatory investigations and penalties that could adversely affect our operating results and financial condition. Interruptions or delays in service from data center hosting facilities could impair the delivery of our service and harm our business. We currently serve our customers from data center hosting facilities. Any damage to, or failure of, such facilities generally could result in interruptions in our service. Interruptions in our service may reduce our revenue, cause us to issue credits or pay penalties, cause customers to terminate their on- demand services, and adversely affect our renewal rates and our ability to attract new customers. The success of our products depends upon effective operation with operating systems, devices, networks, and standards that we do not control and on our continued relationships with mobile operating system providers and device manufacturers. Changes in our products or to those operating systems, devices, networks, or standards, or interference with those relationships may seriously harm our customers' ability to retain or attract new users and may harm our revenue and growth. We are dependent on the interoperability of our products with popular operating systems, devices, networks, and standards that we do not control. For example, we depend upon the interoperability of our mobile products with the Android and iOS mobile operating systems. Any changes, bugs or technical issues in such systems, or changes in our relationships with mobile operating system partners, handset manufacturers or mobile carriers, or in their terms of service or policies that degrade our products' functionality, reduce, or eliminate our ability to distribute our products, or give preferential treatment to competitive products could adversely affect the usage of our products. We maintain relationships with mobile device manufacturers which provide us with insights into product development and emerging technologies. These insights allow us to keep abreast of, or to anticipate, market trends and help us to serve our current and prospective customers. Mobile device manufacturers are under no obligation to continue providing us with these valuable insights. If we are unable to maintain our existing relationships with mobile device manufacturers, if we fail to enter into relationships with additional mobile device manufacturers, or if mobile device manufacturers favor one of our competitors, our ability to provide products that meet our current and prospective customers' needs could be compromised and our reputation and future revenue prospects could suffer. For example, if our software does not function well with a popular mobile device because we have not maintained a relationship with its manufacturer, carriers seeking to provide that device to their respective customers may choose an alternative solution. Even if we succeed in establishing and maintaining these relationships, they may not result in additional customers or revenues. We rely on our ability and / or customers' ability to distribute our mobile software applications to their end users through third party mobile software application stores, which we do not control. Changes in the application stores' policies and / or terms of service and other barriers to our distribution via mobile software application stores may seriously harm our ability to maintain and / or grow the subscriber base for our products and services and could materially and adversely affect our financial condition and results of operations. Because mobile software applications are key components of our products and services, the success of our business is dependent on our ability and / or our customers' ability to distribute our mobile software applications through mobile software application stores, which are subject to terms and policies that are controlled by and subject to change in the discretion of the third- party operators of the application stores. In addition, each of these application store operators has approval authority over our mobile software applications as a condition to our distribution of our mobile software applications through the applicable application store, and any delay or withholding of any such approval can lead to delays in the availability of new releases, which may harm our customer relationships and adversely affect our business. There is also no guarantee that any approval will not be rescinded in the future. Any changes to third party application stores or their policies, terms or service or approvals, and other barriers that restrict our ability to distribute our mobile software applications via one or more application stores, including government actions, orders, or restrictions, may seriously harm our ability to maintain and / or grow the subscriber base for our products and services and could materially and adversely affect our financial condition and results of operations. Our products may contain undetected software defects, which could negatively affect our revenues. Our software products are complex and may contain undetected defects. If we discover software defects in our products, we may experience delayed or lost revenues during the period it takes to correct these problems. Defects, whether actual or perceived, could result in adverse publicity, loss of revenues, product returns, a delay in market acceptance of our products, loss of competitive position or claims against us by customers. Any such problems could be costly to remedy and could cause interruptions, delays, or cessation of our product sales, which could cause us to lose existing or prospective customers and could negatively affect our results of operations. **Financial, Investment and Indebtedness** Risks ~~Related~~ **If we are unable** to **meet** our ~~Industry and Macroeconomic Conditions We derive~~ **obligations as they become due over the next twelve months, the Company may not be able to continue as** a ~~significant portion of our revenues~~ **going concern. As indicated in the report provided** from ~~wireless carriers, and changes within this vertical market, or~~ **our** ~~failure to penetrate new markets~~ **independent registered public accounting firm** , ~~could adversely impact~~ **the Company' s present financial situation raises substantial doubt about the Company' s ability to continue as a going concern without additional capital becoming available to the Company. While the accompanying financial statements have been prepared assuming that the Company will continue as a going concern, continued operations are dependent upon our ability to execute according to plans, which may include reducing expenditures, obtaining further operational efficiencies, completing equity** ~~our~~ - **or** ~~revenues~~ **debt financings, or securing commercial lines of credit,** and **ultimately generating profitable operational results. Such financing or lines of credit may not be available on reasonable terms or at all. While the business plans we have established may enable us to meet our financial obligations as they become due over the next twelve months and maintain our current level of** operating ~~results. We derive~~ **activities, our ability to continue as** a ~~significant portion of our revenue from wireless carriers~~ **going concern is substantially dependent upon multiple factors, which primarily include those factors set forth above** . In order to ~~sustain and grow~~ **preserve liquidity, we may also take one** ~~our~~ - **or** ~~business~~ **more of the following additional actions: • Implement additional restructuring and cost reductions** , **• Secure a revolving line of credit, • Dispose of one or more product lines and / or, • Sell or license intellectual property. Should** we ~~must~~ **become unable to** continue ~~to sell our software products~~ in ~~this vertical market~~ **the normal course of operations** , ~~and we must seek~~ **adjustments would be required** to ~~expand into additional markets. Shifts in~~ **the amounts and classifications of assets and liabilities within our consolidated financial statements, and** ~~the~~ **these adjustments** ~~dynamics of the vertical markets that we serve, such as new product introductions by our competitors,~~ could **be significant. Our consolidated** ~~materially harm our results of operations,~~ financial **statements** ~~condition, and prospects. Increasing our sales outside our core vertical markets and into markets in which we~~ do not **reflect the adjustments** ~~have significant experience, for~~ - **or** ~~example to large enterprises,~~ **reclassifications of assets and liabilities that** would **be necessary** ~~require us to devote time and resources to hire and train sales employees familiar with those industries. Even~~ if we **were** ~~are successful in hiring and training sales teams, customers in other vertical markets may not need or sufficiently value our current products or new product introductions. Our results of operations and financial condition may be adversely affected by public health epidemics, including the ongoing COVID- 19 global health pandemic, and economic and business trends that emerge following such events. Since early 2020, the COVID- 19 pandemic has significantly impacted economic activity and markets around the world. Government regulations and shifting social behaviors have, at times, limited business activities and person-~~ to **become unable to** ~~- person interactions and consumer and business trends that originated during the pandemic~~ continue ~~to persist and may also have long-lasting adverse impact on us and our industry independently of the progress of the pandemic. During the pandemic, many of our customers and suppliers have temporarily modified their business operations~~ as a result of the coronavirus pandemic and related...... considerable resources to ensure timely and ongoing -- **going concern** ~~compliance given the nuances of each jurisdiction' s legal obligations~~ . For example, more U. S....... Financial, Investment and Indebtedness Risks We may raise additional capital through the issuance of equity or convertible debt securities or by entering into ~~new or modifying existing~~ borrowing arrangements in order to meet our capital needs. Additional funds to allow us to meet our capital needs may not be available on terms acceptable to us or at all. **It** ~~We believe that our cash and the cash we expect to generate from operations will be sufficient to meet our capital needs for the next twelve months. However, it~~ is ~~possible~~ **likely** that we may need or choose to obtain additional financing ~~or to modify existing financing arrangements~~ to fund our future activities. We could raise these funds by selling more stock to the public or to selected investors, or by entering into borrowing arrangements ~~; provided that the terms of our existing Notes, Warrants and Additional Warrants permit our ability to access this additional capital (See" Risks Related to Our Convertible Notes")~~ . We may not be able to obtain additional funds on favorable terms, or at all ~~, including if the holders of our Notes, Warrants, or Additional Warrants do not approve such a transaction or if they are unwilling to modify our existing financing arrangements with them~~ . If adequate funds are not available, we may be required to curtail our operations or other business activities significantly or to obtain funds through arrangements with strategic partners or others that may require us to relinquish rights to certain technologies or potential markets. It is possible that our future capital requirements may vary materially from those currently anticipated. The amount of capital that we will need in the future will depend on many factors, including but not limited to: • the launch and market acceptance of our products; • the levels of promotion and advertising that will be required to launch our products and achieve and maintain a competitive position in the marketplace; • our business, product, capital expenditure, and research and development plans and product and technology roadmaps; • the levels of working capital that we maintain; • any acquisitions that we would choose to undertake; • capital improvements to new and existing facilities; • technological advances; • our competitors' response to our products; and • our relationships with suppliers and customers. In addition, we may raise additional capital to accommodate planned growth, hiring, and infrastructure needs or to consummate acquisitions of other businesses, products, or technologies. The Company has a history of net losses and may incur substantial net losses in the future. During ~~2021 and~~ 2022 **and 2023** , we have been in a net loss position, partially driven by the

loss of one of our U. S. Tier 1 customers, our Family Safety Mobile Business acquisition and the elevated level of expenses at which we ~~are currently~~ **have been** operating as we continue to serve some of our carrier customers from the family safety platform that we acquired, and **as** we ~~continue~~ **continued** to incur the expenses associated with operating the acquired platform. **We will** ~~Although we plan to~~ continue to ~~migrate all~~ **operate with an elevated level of expenses until we are able to fully discontinue the acquired legacy platform, which is expected to be in the first half of 2024. Once each** of our continuing ~~wireless~~ carrier customers **has migrated** to ~~a single~~ **our SafePath** family safety platform ~~over the next year, we will continue to operate with this elevated level of expenses until such migration has been completed. Additionally, a customer whose contract will be terminating in 2023 will remain on the acquired platform until their service has ended. Once we have migrated each of our continuing carrier customers to a consolidated family safety platform~~ , we will focus our efforts on growing **the customer' s** subscribers **on** ~~to the family safety product deployed at each of these~~ -- **the** ~~carrier customers~~ **SafePath platform** , which we expect will increase our revenues **, however we cannot guarantee that our efforts will be successful or will result in an increase in our revenues in the manner that we expect or at all** . During 2022, we began to undertake efforts to align our operating expenses with our projected revenue subsequent to these migrations, and in February 2023, following receipt of notice of termination of one of our **U. S.** Tier 1 customer contracts, we announced we would accelerate our efforts designed to reduce operating costs and continue advancing our ongoing commitment to profitable growth. We **are continuing those efforts in 2024, however we** may encounter challenges in the execution of these efforts, and these challenges could impact our financial results. Moreover, although we believe that these efforts will reduce operating costs and improve operating margins, we cannot guarantee that they will achieve or sustain the targeted benefits, or that the benefits, even if achieved, will be adequate to meet our long- term profitability and operational expectations. In addition, if we do not achieve certain revenue targets subsequent to these efforts, we may need to undertake further cost reduction actions, which may include further restructurings. The results of cost reduction efforts undertaken by the Company could negatively impact the Company' s future operational goals and may negatively impact the Company. The Company' s ~~current and potential future~~ actions to reduce operating costs as a result of the receipt of **the** notice of termination of one of our **U. S.** Tier 1 customer contracts ~~will cause~~ **caused** the Company to incur additional **one- time** charges in **2023** ~~the near term~~ , which ~~may include~~ **included** charges related to employee transition, severance payments, employee benefits, and stock- based compensation. **Similar events and / or operating cost reduction efforts in the future could cause the Company to take similar remedial actions, which could cause the Company to incur additional charges in the short- term period following such events or actions.** Additional **continuing** risks associated with the ~~continuing~~ impact of these efforts include employee attrition beyond our intended reduction in force and adverse effects on employee morale, diversion of management attention, adverse effects to our reputation as an employer (which could make it more difficult for us to hire new employees in the future), and potential failure or delays to meet operational and growth targets due to the loss of qualified employees. If we do not realize the expected benefits of our cost reduction efforts on a timely basis or at all, our business, results of operations and financial condition could be adversely affected. ~~If we are unable to meet our obligations as they become due over the next twelve months, the Company may not be able to continue as a going concern. We believe that we will be able to meet our financial obligations as they become due over the next twelve months, primarily based on our current working capital levels, our current financial projections, and our belief that we would be able to secure short- term loans and raise capital when necessary. Our ability to obtain a short- term loan or raise additional capital would be subject to our obligations and restrictions under our Notes, Warrants, and Additional Warrants. Our ability to continue as a going concern is substantially dependent upon multiple factors, which primarily include those factors set forth above. If our actual financial performance is unfavorable in comparison to our internal plans and projections, we may need to consider additional actions to mitigate conditions or events that would raise substantial doubt about our ability to continue as a going concern, including the following: • Raising additional capital through short- term loans or other borrowing arrangements. • Implementing additional restructuring and cost reductions. • Raising additional capital through a private placement or other transactions. • Disposing of or discontinuing one or more product lines. • Selling or licensing intellectual property. Should our going concern assumption not be appropriate, or should we become unable to continue in the normal course of operations, adjustments would be required to the amounts and classifications of assets and liabilities within our consolidated financial statements, and these adjustments could be significant. Our consolidated financial statements do not reflect the adjustments or reclassifications of assets and liabilities that would be necessary if we were to become unable to continue as a going concern.~~ Our operating income or loss may continue to change due to shifts in our sales mix and variability in our operating expenses. Our operating income or loss can change quarter to quarter and year to year due to a change in our sales mix and the timing of our continued investments in research and development and infrastructure. We continue to invest in research and development, which is vital to maintaining and enhancing our technology portfolio. The timing of these additional expenses can significantly vary quarter to quarter and even from year to year. Our results of operations may be adversely affected if we fail to realize the full value of our goodwill and intangible assets. As of December 31, ~~2022~~ **2023** , we had total goodwill and net intangible assets of $ ~~71~~ **64** . ~~4~~ **6** million. We assess goodwill and definite lived assets for impairment annually, and we conduct an interim evaluation of definite lived and indefinite lived assets whenever events or changes in circumstances indicate that these assets may be impaired. Our ability to realize the value of goodwill and net intangible assets will depend on the future cash flows of the businesses to which they relate. If we are not able to realize the value of the goodwill and net intangible assets, this could adversely affect our results of operations and financial condition, and also result in an impairment of those assets. ~~See Note 16~~ **Risks Related to our Industry and Macroeconomic Conditions We derive a significant portion of our revenues from wireless carriers, and changes within this vertical market, or failure to penetrate new markets, could adversely impact our revenues and operating results. We derive a significant portion of our revenue from wireless carriers. In order to sustain and grow our business, we must continue to sell our software products in this vertical market, and we must seek to expand into additional markets. Shifts in the dynamics of the vertical markets that we serve, such as new product introductions by our**

competitors, could materially harm our results of operations, financial condition, and prospects. Increasing our sales outside our core vertical markets and into markets in which we do not have significant experience, for **example** ~~our business as appropriate,and attempt~~ to ~~accurately project demand~~ **large enterprises,would require us to devote time** and ~~deploy our workforce~~ **resources to hire** and **train sales employees familiar with those industries.Even if we are successful in hiring and training sales teams,customers in** other **vertical** ~~resources accordingly.If we experience unfavorable market~~ **markets may** ~~conditions,or if we do~~ not **need** ~~maintain operations at a scope that is commensurate with such conditions,our~~ - **or** ~~business and financial results may be harmed~~ **sufficiently value our current products or new product introductions**
.Technology and customer needs change rapidly in our market,which could render our products obsolete and negatively affect our business,financial condition,and results of operations.Our success depends on our ability to anticipate and adapt to changes in technology and industry standards,including changes in the Microsoft,Google,and Apple operating systems with which our products are designed to be compatible,and to changes in customer demands.The communications software markets in which we operate are characterized by rapid technological change,changing customer needs,frequent new product introductions,evolving industry standards,and short product life cycles.Any of these factors could render our existing products obsolete and unmarketable.New products and product enhancements can require long development and testing periods as a result of the complexities inherent in today’ s mobile technology environment and the performance demanded by customers.If our target markets do not develop as we anticipate,if our products do not gain widespread acceptance in these markets,or if we are unable to develop new versions of our software products that can operate on future wireless networks and PC and mobile device operating systems and interoperate with relevant third- party technology,our business,financial condition and results of operations could be materially and adversely affected.Competition within our target markets is intense and includes numerous established competitors and new entrants,which could negatively affect our revenues and results of operations.We operate in markets that are extremely competitive and subject to rapid changes in technology.Because there are low barriers to entry into the software markets in which we participate and may participate in the future,we expect significant competition to continue from both established and emerging software companies,domestic and international.In fact,our growth opportunities in new product markets could be limited to the extent established and emerging software companies enter or have entered those markets.We also may face competition from our existing customers that choose to internally develop and operate a competing product.Many of our other current and prospective competitors have significantly greater financial,marketing,service,support,technical,and other resources than we do.As a result,they may be able to adapt more quickly than we can to new or emerging technologies and changes in customer requirements,or to devote greater resources to the promotion and sale of their products.Announcements of competing products by competitors could result in our carrier customers reducing,delaying,or withholding the adoption,promotion,or launch of our products and services in anticipation of the introduction of such new products.In addition,some of our competitors are currently making complementary products that are sold separately.Such competitors could decide to enhance their competitive position by bundling their products to attract customers seeking integrated,cost- effective software applications.Some competitors have a retail emphasis and offer OEM products with a reduced set of features.The opportunity for retail upgrade sales may induce these and other competitors to make OEM products available at their own cost or even at a loss.We also expect competition to increase as a result of software industry consolidations,which may lead to the creation of ~~additional large~~ additional large and well- financed competitors.Increased competition is likely to result in price reductions,fewer customer orders,reduced margins,and loss of market share.Our business,financial condition and operating results could be adversely affected as a result of legal,business,and economic risks specific to international operations.In recent years,our revenues derived from sales to customers outside the U.S.have not been material.Our revenues derived from such sales can vary from quarter to quarter and from year to year.In the future,we may expand our international business activities.International operations are subject to many inherent risks,including:• general political,social and economic instability;• trade restrictions;• the imposition of governmental controls;• exposure to different legal standards,particularly with respect to intellectual property;• burdens of complying with a variety of foreign laws,including without limitation data privacy laws,such as the General Data Protection Regulation (“ GDPR ”) in Europe;• import and export license requirements and restrictions of the United States and any other country in which we operate;• unexpected changes in regulatory requirements;• foreign technical standards;• changes in tariffs;• difficulties in staffing and managing international operations;• difficulties in securing and servicing international customers;• difficulties in collecting receivables from foreign entities;• fluctuations in currency exchange rates and any imposition of currency exchange controls;and • potentially adverse tax consequences.These conditions may increase our cost of doing business.Moreover,as our customers are adversely affected by these conditions,our business with them may be disrupted and our results of operations could be adversely affected.Legal and Regulatory Risks The actual or perceived failure by us,our customers,partners,or vendors to comply with stringent and evolving information ~~stringent and evolving information~~ security,data protection and data privacy laws,regulations,standards,policies,and contractual obligations could harm our reputation and business,may result in increased compliance costs and impediments to the development or performance of our offerings,and may subject us to significant monetary or other penalties and liability.In the ordinary course of our business,through the delivery of our solutions and in connection with our routine processing of human resources data,we collect,receive,store,process,generate,use,transfer,disclose,make accessible,protect,secure,dispose of,transmit,share and otherwise process confidential,proprietary,and sensitive information,including personal information,and information that may be considered sensitive personal information in certain jurisdictions.As a result,we are subject to numerous data privacy,data protection,and information security obligations,such as various laws,regulations,guidance,industry standards,external and internal privacy and security policies,and contractual requirements,and may become subject to new obligations of this nature in the future.The data privacy,data protection,and information security laws and regulations to which we are and may become subject address and will address a range of issues,including data privacy,cybersecurity **,age- appropriate design,** and

restrictions or technological requirements ~~regarding the~~ regarding **the collection,use,storage,protection,retention,or transfer of personal information.The regulatory framework and enforcement mechanisms for data privacy and cybersecurity issues worldwide can vary substantially between jurisdictions.New laws continue to be enacted that may require considerable resources to ensure timely and ongoing compliance given the nuances of each jurisdiction' s legal obligations.** For example,more U.S.states are enacting laws similar to the California Consumer Privacy Act of 2018 and the substantial amendments to that framework from the California Privacy Rights Act (CPRA),which took effect in January 2023,that provide new data privacy rights to state residents,expand certain protections to personal information of employees in the state,and create special degrees of protection for certain " sensitive " personal information.The CPRA establishes a dedicated California data protection authority,which may increase enforcement actions and penalties for privacy regulation violations,as well as audits of possible violations.Additionally,expanded business- to- business personal information protections may require additional negotiation of new and existing data processing agreements with service providers. **We may also be or become subject to laws requiring age- appropriate design of online products accessed by children,which may require us to expend resources to make conforming updates to our products.** Burgeoning legal obligations may require expenditure of considerable resources to establish and maintain the necessary internal infrastructure to comply with monitoring obligations,requests from data subjects,and other requirements,which may limit the use and adoption of our offerings.Other state and federal legislative and regulatory bodies have enacted or may enact similar legislation regarding the handling of personal data. ~~Further,foreign~~ **Foreign** privacy and data protection laws and regulations can be more restrictive than those in the United States. ~~In~~ **For example,in** the European Union,the GDPR includes operational and governance requirements for companies that collect or process personal data of residents of the European Union and provides for significant penalties for non-compliance.The costs of compliance with,and other burdens imposed by,these laws and regulations may become substantial and may limit the use and adoption of our offerings,require us to change our business practices,impede the performance and development of our solutions.In addition to data privacy and security laws,we are contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future.We are also bound by other contractual obligations related to privacy,data protection,and information security,and our efforts to comply with such obligations may not be successful.We publish privacy policies,marketing materials,and other statements,such as compliance with certain certifications or self- regulatory principles,regarding privacy,data protection,and information security privacy,data protection,and information security.For the offerings that are distributed by our customers under their respective brands,our customers develop the applicable privacy policies,terms of service and other similar materials and statements.If any of these policies,materials or statements are found to be deficient,lacking in transparency,deceptive,unfair,or misrepresentative of our practices,we may be subject to investigation,enforcement actions by regulators,contractual penalties or indemnification obligations,or other adverse consequences.We may at times fail (or be perceived to have failed) in our efforts to comply with our privacy,data protection,and information security obligations.Moreover,despite our efforts,our personnel or third parties on whom we rely,including the third party providers of services we utilize to deliver some of the functionality of our offerings,may fail to comply with such obligations,which could negatively impact our business operations.If we or the third parties on which we rely fail,or are perceived to have failed,to address or comply with applicable privacy,data protection,and information security obligations,we could face significant consequences,including but not limited to significant fines,penalties,or liabilities for noncompliance,government enforcement actions,litigation (including class- action claims),additional reporting requirements and / or oversight,bans on processing personal information,and orders to destroy or not use personal information.Any of these events could have a material adverse effect on our reputation,business,or financial condition.Regulations affecting our customers and our business and future regulations,to which they or we may become subject,may harm our business.Certain of our customers in the communications industry are subject to regulation by the Federal Communications Commission,which could have an indirect effect on our business.In addition,the U.S.telecommunications industry has been subject to continuing deregulation since 1984.We cannot predict when,or upon what terms and conditions,further regulation or deregulation might occur,or the effect regulation or deregulation may have on demand for our products from customers in the communications industry.Demand for our products may be indirectly affected by regulations imposed upon ~~potential users of those products,which may increase our costs and expenses.We may be unable to adequately protect our intellectual property and other proprietary rights,we may be subject to claims for intellectual property infringement,and our customers may be subject to claims for intellectual property infringement with respect to which we have indemnification obligations,which could negatively impact our business and financial results.Our success is dependent upon our software code base,our programming methodologies and other intellectual properties and proprietary rights.In order to protect our proprietary technology,we~~ potential **users of** those products,which may increase our costs and expenses.We may be unable to adequately protect our intellectual property and other proprietary rights,we may be subject to claims for intellectual property infringement,and our customers may be subject to claims for intellectual property infringement with respect to which we have indemnification obligations,which could negatively impact our business and financial results.Our success is dependent upon our software code base,our programming methodologies and other intellectual properties and proprietary rights.In order to protect our proprietary technology,we rely on a combination of trade secrets,nondisclosure agreements,patents,and copyright and trademark law.We currently own U.S.trademark registrations for certain of our trademarks and U.S.patents for certain of our technologies.However,these measures afford us only limited protection.For our mobile applications that are distributed by our carrier customers to their end users,we rely on our carrier customers to establish binding end user terms.It is possible that third parties may copy or otherwise obtain our rights without our authorization.It is also possible that third parties may independently develop technologies similar to ours.It may be difficult for us to detect unauthorized use of our intellectual property and proprietary rights.In addition,we sometimes include open- source software in our products.As a result of our use of open source software in our products,we may license or be required to license or disclose code and / or innovations that turn out to be material to our business and may also be exposed to increased litigation risk.If the protection of our proprietary rights is inadequate to prevent independent development,unauthorized use,or appropriation by third parties,the value of our brands and other intangible assets may be diminished and competitors may be able to more effectively mimic our products,services,and methods of operations.Any of these events could have an adverse effect on our business and financial results.We may be subject to claims of intellectual property infringement as the number of trademarks,patents,copyrights,and other intellectual property rights asserted by companies in our industry grows and the coverage of these patents and other rights and the conduct of our business,including the functionality of our products,increasingly overlap.From time to time,we may receive communications from third parties asserting that our trade name or features,content,or trademarks of certain of our products infringe upon intellectual property rights held by such third parties.We have also received and may in the future receive correspondence from third parties separately asserting that our products may infringe on certain patents held by those parties.Although we are not aware that any of our products infringe on the proprietary rights of others,third parties may claim infringement by us with respect to our current or future products.Additionally,subject to certain limitations,our customer agreements require that we indemnify our customers for infringement claims made by third parties involving our intellectual property,including our software code,embedded in their products,or otherwise distributed by them.Infringement claims,whether with or without merit,could result in time- consuming and costly litigation,divert the attention of our management,cause product shipment delays,result in our sales being enjoined,or require us to enter into royalty or licensing agreements with third parties.If we are required to enter into royalty or licensing agreements,they may not be on terms that are acceptable to us.An injunction or unfavorable royalty or licensing agreements could seriously ~~impair our impairment~~ ---- **impair our ability to market our products and have an adverse effect on our business. If we continue to fail to meet the requirements for continued listing on the Nasdaq Stock Market, our common stock could be delisted from trading on Nasdaq, which would likely reduce the liquidity of our common stock and could cause our trading price to decline. Our common stock is currently listed for quotation on the Nasdaq Stock Market. We are required to meet specified financial requirements** in **order to maintain our listing on Nasdaq. We could lose our listing on Nasdaq if the closing bid price of our common stock does not increase or if in the future we fail to meet any of the other Nasdaq listing requirements. The loss of our Nasdaq listing would in all likelihood make our common stock significantly less liquid and adversely affect its value. As initially disclosed on our Current Report on Form 8- K filed with the SEC on January 2, 2024, we received a letter from the Listing Qualifications Department, or the Staff, of The Nasdaq Stock Market LLC, or Nasdaq, on December 27,** 2023 **, indicating that as result of the closing bid price of the Company’ s common stock for the last 30 consecutive business days having been below the $ 1** . **00 minimum bid price requirement for continued listing on** The ~~terms~~ **Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550 (a) (2) (the “ Minimum Bid Price Requirement ”) the Company was not in compliance with the Minimum Bid Price Requirement (the “ Minimum Bid Price Notice ”). The Minimum Bid Price Notice has no immediate effect on the continued listing status** of **the Company’ s common stock on The Nasdaq Capital Market, and, therefore, the Company’ s listing remains fully effective. Pursuant to Nasdaq Marketplace Rule 5810 (c) (3) (A), the Company has been provided an initial compliance period of 180 calendar days,** ~~our~~ - **or until June 24, 2024, to regain compliance with the Minimum Bid Price Requirement. If at any time before June 24, 2024, the closing bid price of the common stock is at least $ 1. 00 per share for a minimum of ten consecutive business days, unless Nasdaq exercises its discretion to extend this ten- day period, Nasdaq will provide written confirmation stating that the Company has achieved compliance with the Minimum Bid Price Requirement. If the Company’ s common stock does not regain compliance with the Minimum Bid Price Requirement during this initial 180- day compliance period, the Company may be eligible for an additional compliance period of 180 calendar days provided that (i) the Company satisfies Nasdaq’ s continued listing requirement for market value of publicly held shares and all other initial listing standards, other than the Minimum Bid Price Requirement; and (ii) the Company provides written notice to Nasdaq of its intention to cure the deficiency during the second grace period. The Company intends to monitor the closing bid price of its common stock and assess its available options in order to regain compliance with the Minimum Bid Price Requirement and continue listing on the Nasdaq Capital Market. If among such options the Company elects to pursue a reverse stock split to regain compliance with the Minimum Bid Price requirement, there can be no assurance that it would accomplish this objective for any meaningful period of time, or at all, or that it would result in any permanent or sustained increase in the market price of our Common Stock; and if such an event would be viewed unfavorably by the market, it could have the effect of reducing our market capitalization. There can be no assurance that the Company will regain compliance with the Minimum Bid Price Requirement or will otherwise be in compliance with the other Nasdaq listing requirements. In the event of a delisting from the Nasdaq Capital Market, our common stock would likely be traded in the over- the- counter inter- dealer quotation system, more commonly known as the OTC. OTC transactions involve risks in addition to those associated with transactions in securities traded on the securities exchanges, such as the Nasdaq Capital Market, or, together, Exchange- listed stocks. Many OTC stocks trade less frequently and in smaller volumes than Exchange- listed stocks. Accordingly, our stock would be less liquid than it would be otherwise. Also, the prices of OTC stocks are often more volatile than Exchange- listed stocks. Additionally, institutional investors are usually prohibited from investing in OTC stocks, and it might be more challenging to raise capital when needed. Risks Related to Our 2022** Convertible Notes **Although** ~~, and~~ our ~~debt repayment obligations thereunder~~ **2022 Convertible Notes were retired at maturity** , ~~may~~ **the securities purchase agreement associated with the 2022 Notes and Warrants Offering include certain** ~~restrict~~ **restrictions which survive the retirement of the notes for a period of time, and may during such time limit** our ability to obtain additional financing **through certain types of equity transactions** ~~, and adversely affect our financial condition and cash flows from operations in the future~~ . Our **2022** ~~indebtedness under the~~ Convertible Notes **retired at maturity effective December 31** , **2023, however, the securities purchase agreement associated with the 2022 Notes** and **Warrants Offering includes** certain restrictions ~~included within~~

which survive the ~~terms~~ **retirement** of the ~~Convertible Notes~~ **notes for a period of time** , **and** may **during such time** restrict, and otherwise impair our ability to obtain additional financing ~~in the future~~ **from certain types of equity transactions, which would not be available to us as a means of raising capital** for general corporate purposes, including working capital, capital expenditures, potential acquisitions and strategic transactions. **Exercise** ~~Further, a portion~~ of ~~our cash flows from operations may have to be dedicated to repaying~~ the ~~principal and interest of the~~ **Warrants issued in connection with our 2022** Convertible Notes ~~during 2023. Our ability to meet our~~ - **or** ~~debt obligations~~ **the Additional Warrants issued in connection with the concurrent Stock and Additional Warrants Offering** will ~~depend on~~ **dilute the ownership interest of our existing stockholders** ~~our~~ - **or** ~~future performance, which will be affected by financial, business, economic, regulatory and other factors, many~~ - **may otherwise depress** ~~of which are outside of our control. Our future operations may not generate sufficient cash to enable us to repay our debt, including~~ the **price** ~~Convertible Notes. If we fail to make a payment on our debt, we could be in default on such debt. If we are at any time unable to pay our indebtedness under the Convertible Notes in cash when due, we may be required to issue additional shares~~ of **our** common stock ~~on unfavorable terms. Conversion of the Convertible Notes and exercise of the Warrants or Additional Warrants will dilute the ownership interest of our existing stockholders or may otherwise depress the price of our common stock~~ . The ~~conversion of some or all of the Convertible Notes or~~ exercise of some or all of the Warrants issued along with the **2022** Convertible Notes or **the** Additional Warrants **issued in connection with the concurrent Stock and Additional Warrants Offering** will dilute the ownership interests of existing stockholders. Any sales in the public market of **shares of** our common stock ~~issuable upon such~~ **that we issued pursuant to the** conversion of the Convertible Notes **in 2023** or **that we may issue in connection with the** exercise of the Warrants or Additional Warrants could adversely affect prevailing market prices of our common stock. In addition, the existence of ~~the~~ **these** ~~Convertible Notes~~ **Warrants or Additional Warrants** may encourage short selling by market participants because the ~~conversion of the Convertible Notes or~~ exercise of the Warrants or Additional Warrants could be used to satisfy short positions, or ~~anticipated conversion of~~ the ~~Convertible Notes into, or~~ exercise of Warrants or Additional Warrants for, shares of our common stock could depress the price of our common stock. We may require additional financing to sustain or grow our operations and such additional capital may not be available to us, or may only be available to us on unfavorable terms. To the extent that revenues generated by our ongoing operations are insufficient to fund future requirements, we may need to raise additional funds through debt or equity financings or curtail our growth. ~~The Convertible Notes contain limitations on our ability to raise money through equity offerings and to incur additional indebtedness.~~ We cannot be sure that we will be able to raise equity or debt financing on terms favorable to us and our stockholders in the amounts that we require, or at all. Our inability in the future to obtain additional equity or debt capital on acceptable terms, or at all, could adversely impact our ability to execute our business strategy, which could adversely affect our growth prospects and future stockholder returns ~~. Our obligations to the holders of our Convertible Notes are secured by a security interest in substantially all of our assets, and if we default on those obligations, the note holders could foreclose on our assets. Our obligations under the Convertible Notes and the transaction documents relating to those notes are secured by a security interest in substantially all of our and our subsidiaries' assets. As a result, if we default under our obligations under the Convertible Notes or the transaction documents, the holders of the Convertible Notes, acting through their appointed agent, could foreclose on their security interests and liquidate some or all of these assets, which would harm our business, financial condition and results of operations and could require us to curtail or cease operations. The holders of our Convertible Notes have certain additional rights upon an event of default under the Convertible Notes which could harm our business, financial condition and results of operations and could require us to curtail or cease our operations. Under our Convertible Notes, the holders have various rights upon an event of default. Such rights include (i) an increase in the interest rate; (ii) the holders having the right to demand redemption of all or a portion of the Convertible Notes and (iii) the holders have the right to convert the Convertible Notes into our common stock at a discount over then current market price of our common stock. At any time after certain notice requirements for an event of default are triggered, a holder of the Convertible Notes may require us to redeem all or any portion by delivering written notice. Each portion of the Convertible Notes subject to redemption would be redeemed by us in cash by wire transfer of immediately available funds at a price equal to the greater of (i) the product of (A) the conversion amount to be redeemed multiplied by (B) the redemption premium (equal to 125 %) and (ii) the product of (X) the conversion rate with respect to the conversion amount in effect at such time as the holder delivers an event of default redemption notice multiplied by (Y) the product of (1) the redemption premium (equal to 125 %) multiplied by (2) the greatest closing sale price of the common stock on any trading day during the period commencing on the date immediately preceding the event of default and ending on the date we make the entire payment required to be made under the Convertible Notes. We may not have sufficient funds to settle the redemption price and, as described above, this could trigger rights under the security interest granted to the holders and result in the foreclosure of their security interests and liquidation of some or all of our assets~~ . Other General Risks Our customers' launch of our products and services may be subject to the negotiation and completion of new agreements or amendments to existing agreements and / or lengthy design, qualification and go- to- market processes, which may result in longer sales and launch cycles than we expect, which may impact our financial results and cause our revenues and operating results to be difficult to predict. A customer' s decision to purchase and launch to the market certain of our products or solutions, particularly products or versions of products that are new to the market, may involve a lengthy contracting, design, and qualification processes, with a timing gap between contracting and launch. Further, a lengthy contracting process, together with lengthy testing, qualification and approval processes are often a prerequisite to our customers' being in a position to launch updated versions of our products. In particular, customers deciding on the implementation of our products may have lengthy and unpredictable procurement and go- to- market processes that may delay or impact expected revenues. This unpredictability may cause our revenues and operating results to vary unexpectedly from quarter- to- quarter, making our future operational results less predictable. Our acquisitions of companies or technologies may disrupt our business and divert management attention and cause our other operations to suffer. We have historically made targeted acquisitions of businesses or product lines with technology important to our business strategy and expect to continue to do so in the future ~~. Most recently, we acquired the Family Safety Mobile Business from Avast plc and certain of its affiliates~~ . As part of any acquisition, we are required to assimilate the operations, products, and, where applicable, personnel of the acquired businesses and train, retain, and motivate key personnel needed for the successful integration of the acquired business. We may not be able to maintain uniform standards, controls, procedures, and policies if we fail in these efforts. Additionally, as we integrate any newly acquired business into our existing operations, process changes may result in unanticipated or unintended delays in sales of acquired products or services, which could adversely affect our relationships with customers of the acquired business and result in lower revenues from the acquired business than anticipated. Acquisitions may cause disruptions in our operations and divert management' s attention from our Company' s day- to- day operations, which could impair our relationships with our existing employees, customers, and strategic partners. Acquisitions may also subject us to liabilities and risks that are not known or identifiable at the time of the acquisition. We may also have to incur debt or issue equity securities to finance future acquisitions. Our financial condition could be harmed to the extent we incur substantial debt or use significant amounts of our cash resources in acquisitions. The issuance of equity securities for any acquisition could be substantially dilutive to our existing stockholders. In addition, we expect our profitability could be adversely affected because of acquisition- related accounting costs, impairments, amortization expenses, and charges related to acquired intangible assets. In consummating acquisitions, we are also subject to risks of entering geographic and business markets in which we have had limited or no prior experience. If we are unable to fully integrate acquired businesses, products, or technologies within existing operations, we may not receive the intended benefits of such acquisitions. We rely directly and indirectly on third- party intellectual property and licenses, which may not be available on commercially reasonable terms or at all. Many of the Company' s products and services include third-party intellectual property, which require licenses directly to us or to unrelated companies that provide us with sublicenses and / or execution of services for the operation of our business. The Company has historically been able to obtain such licenses or sublicenses on reasonable terms. There is, however, no assurance that the necessary licenses could be obtained on acceptable terms, or at all, in the future. If the Company or our third- party service providers are unable to obtain or renew critical licenses on reasonable terms, we may be forced to terminate or curtail our products and services which rely on such intellectual property, and our financial condition and operating results may be materially adversely affected. Our quarterly revenues and operating results are difficult to predict and could fall below analyst or investor expectations, which could cause the price of our common stock to fall. Our quarterly revenues and operating results have fluctuated significantly in the past and may continue to vary from quarter to quarter due to several factors, many of which are not within our control. If our operating results do not meet the expectations of securities analysts or investors, our stock price may decline. Fluctuations in our operating results may be due to several factors, including the following: • the gain or loss of a key customer; • the timing of product and services deployments to our major customers and the timing of our customers' launch of their branded versions of such products and services to their end users; • the timing and extent of our customers' efforts to market and promote such products and services to their users; • the timing of user acceptance of our customers' branded versions of our products and services and the growth or decline in the subscriber base for such products and services; • our ability to maintain or increase gross margins; • variations in our sales channels or the mix of our product sales; • our ability to anticipate market needs and to identify, develop, complete, introduce, market and produce new products and technologies in a timely manner to address those needs; • the availability and pricing of competing products and technologies and the resulting effect on sales and pricing of our products; • acquisitions; • the effect of new and emerging technologies; • deferrals of orders by our customers in anticipation of new products, applications, product enhancements or operating systems; and • general economic and market conditions. Our revenues are heavily dependent upon the number of subscribers utilizing our products through our wireless carrier customers. Variations in subscribers, including churn of those subscribers across multiple product and wireless carrier bases can drive volatility in our revenues and result in difficulties in predicting our operating results. Significant sales may also occur earlier than expected, which could cause operating results for later quarters to compare unfavorably with operating results from earlier quarters. Future orders may come from new customers or from existing customers for new products. The sales cycles may be greater than what we have experienced in the past, increasing the difficulty to predict quarterly revenues. Because we sell primarily to large wireless carriers, we have no direct relationship with most end users of our products. This indirect relationship delays feedback and blurs signals of change in the quick- to- evolve wireless ecosystem and is one of the reasons we have difficulty predicting demand. A large portion of our operating expenses, including rent, depreciation, and amortization, is fixed and difficult to reduce or change. Accordingly, if our total revenue does not meet our expectations, we may not be able to adjust our expenses quickly enough to compensate for the shortfall in revenue. In that event, our business, financial condition, and results of operations would be materially and adversely affected. Due to all of the foregoing factors, and the other risks discussed in this Report, you should not rely on quarter- to- quarter comparisons of our operating results as an indication of future performance.