

## Risk Factors Comparison 2025-04-15 to 2024-04-01 Form: 10-K

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As a smaller reporting company, we are not required to provide a statement of risk factors. However, we believe this information may be valuable to our shareholders for this filing. We reserve the right to not provide risk factors in our future filings. Our primary risk factors and other considerations include: **General Risks Related to Our Business Our business plan, which is focused on the development and commercialization of alcohol monitoring and detection devices, is dependent upon our SOBRsafe™ technology. Our business is dependent upon and strategic planning calls for us to develop and commercialize alcohol monitoring and detection devices based on our SOBRsafe technologies which include our hardware devices, SOBRcheck™ and SOBRsure™, and the SOBRsafe software platforms. If our technology proves to be ineffective at monitoring and detecting alcohol in an individual's system through perspiration from their skin, it would significantly impact our business.** We have a limited operating history and historical financial information upon which you may evaluate our performance. You should consider, among other factors, our prospects for success in light of the risks and uncertainties encountered by companies that, like us, **have been in an early development stage and are in entering their early emerging growth stages-- stage of development.** We may not successfully address these risks and uncertainties or successfully implement our existing and new products. If we fail to do so, it could materially harm our business and impair the value of our common stock. Even if we accomplish these objectives, we may not generate positive cash flows or profits. We were incorporated in Delaware on August 10, 2007. Our business ~~predominantly to date~~ **has been that of an early stage development company** focused on developing and improving our technologies, potential products, filing patents, and hiring management and staff personnel. Unanticipated problems, expenses and delays are frequently encountered in establishing a new business and developing new products. These include, but are not limited to, inadequate funding, lack of consumer acceptance, competition, product development, and inadequate sales and marketing. The failure by us to meet any of these conditions would have a materially adverse effect upon us and may force us to reduce or curtail operations. No assurance can be given that we can or will ever operate profitably. ~~face~~, which we use to plan our business, are incorrect or change due to circumstances in our business or our markets, or if we do not address these risks successfully, our operating and financial results could deviate materially from our expectations and our business could suffer. This variability and unpredictability could also result in our failure to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, it will negatively affect our business, financial condition and results of operations. ~~10~~ **Unfavorable global economic** ~~Because we face intense~~ **We are subject to a variety of regulations and laws in the jurisdictions in which we do business. Maintaining compliance with these laws can increase our cost of doing business and failure to comply could result in audits or the imposition of fines or penalties. Further, our future effective tax rates in any of these jurisdictions could be affected, positively or negatively, by changing tax priorities, changes in statutory rates, or changes in tax laws or the interpretation thereof. The most significant recent example of this is the impact of the U. S Tax Cuts and Jobs Act of 2017 (the " Tax Act ") which was enacted on December 22, 2017 and expires December 31, 2025. These changes significantly revised the ongoing U. S. corporate income tax law by lowering the U. S. federal corporate income tax rate from 35 % to 21 %, implementing a territorial tax system, imposing a one-time tax on foreign unremitted earnings, and setting limitations on deductibility of certain costs, among other things. 11** We may not be able to meet our future capital needs. To date, we have generated limited revenue. Our future capital requirements will depend on many factors, including our ability to **further develop and sell** our products, generate cash flow from operations, and competing market developments. Our ability to achieve future profitability is dependent on a variety of factors, many of which are outside of our control. Failure to achieve profitability or sustain profitability, if achieved, may require us to raise additional financing, which could have a material negative impact on the market value of our ~~Common common~~ **Stock stock**. Any equity ~~financings--~~ **financing** will result in dilution ~~to of~~ our then-existing stockholders. Sources of debt financing may result in high interest expense. Any financing, if available, may be on unfavorable terms. If we cannot obtain **,** achieve or sustain profitability or additional funding, our technology ~~and,~~ product development and commercialization efforts may be reduced or discontinued **,** and we may not be able to continue operations. We have experienced recurring net losses since inception, and as of December 31, ~~2023~~ **2024**, had an accumulated deficit of \$ ~~87,765,981-~~ **98,328,395**. We believe that we will continue to incur substantial operating expenses in the foreseeable future as we continue to invest ~~to in develop~~ **developing** and ~~expand~~ **expanding** technology and product offerings **,** and attract new customers. These efforts may prove more expensive than we anticipate, and we may not succeed in obtaining the net revenue and operating margins necessary to offset these expenses. Accordingly, we may not be able to achieve profitability, and we may incur significant losses for the foreseeable future. Development ~~of efforts for~~ our technology **,** and our product **products** ~~development efforts and software~~ are highly dependent on the amount of cash and cash equivalents on hand combined with our ability to raise additional capital to support our future operations through one or more methods, including but not limited to, issuing additional equity or debt. In addition, we may also raise additional capital through additional equity offerings and licensing our **current commercialized product offering or** future products in development. While we ~~will~~ continue to explore these potential opportunities, there can be no assurances that we will be successful in raising sufficient capital on terms acceptable to us, or at all, or that we will be successful in licensing our future products. **We need to maintain insurance coverage, which could become very expensive or have limited availability.** ~~90~~ ~~Our--~~ **Our marketing and sales of alcohol monitoring and detection products create an inherent risk of claims for product liability. As a result, we carry product**

liability insurance and will continue to maintain insurance in amounts we consider adequate to protect us from claims. We cannot, however, be assured that we have resources sufficient to satisfy liability claims in excess of policy limits if required to do so. Also, if we are subject to such liability claims, there is no assurance that our insurance provider will continue to insure us at current levels or that our insurance rates will not substantially rise in the future, resulting in increased costs to us or forcing us to either pay higher premiums or reduce our coverage amounts, which would result in increased liability to claims. If we are unable to recruit and retain qualified personnel, our business could be harmed. Our growth and success highly depend on qualified personnel. We are an emerging growth company with limited resources and ability to provide competitive salaries, employee benefits, retirement ~~plan~~ plans and other valued perquisites to attract, retain and compensate individuals. Competition in the industry could cause us difficulty in recruiting or retaining a sufficient number of qualified technical personnel, which could harm our ability to develop new products. If we are unable to attract and retain necessary key talent, it would harm our ability to develop competitive products and retain good customers, and could adversely affect our business and operating results. We are a relatively small company with a limited number of products and staff. Sales fluctuations and employee turnover may adversely affect our business. We are a relatively small company. Consequently, compared to larger companies, sales fluctuations could have a greater impact on our revenue and profitability on a quarter- to- quarter and year- to- year basis, and delays in customer orders could cause our operating results to vary significantly from quarter- to- quarter and year- to- year. In addition, as a small company we have limited staff and are heavily reliant on certain key personnel to operate our business. If a key employee were to leave the company, it could have a material impact on our business and results of operations, as we might not have sufficient depth in our staffing to fill the role that was previously being performed. A delay in filling the vacated position could put a strain on existing personnel, result in a failure to satisfy our contractual obligations, or to effectively implement our internal controls, which could materially harm our business. <sup>12</sup>We may be dependent on outside advisors or consultants to assist us. To supplement the business experience of management, we may employ accountants, technical experts, appraisers, attorneys or other consultants or advisors. The selection of any such advisors will be made by management and without any control from shareholders. Additionally, it is anticipated that such persons may be engaged by us on an independent basis without a continuing fiduciary or other obligation to us. The internal controls we utilize to produce reliable financial reports provide no assurance that we will, at all times, in the future be able to report that our internal controls over financial reporting are effective. If we develop material weaknesses in our internal controls, we may not be able to report our financial results accurately or timely or to detect fraud, which could have a material adverse effect on our business. An effective internal control environment is necessary for us to produce reliable financial reports and is an important part of our effort to prevent financial fraud. There are inherent limitations on the effectiveness of internal controls, including collusion, management override, and failure of human judgment. In addition, control procedures are designed to reduce rather than eliminate business risks. If we fail to maintain an effective system of internal controls we may be unable to produce reliable, timely financial reports or prevent fraud, which could have a material adverse effect on our business, including subjecting us to sanctions or investigation by regulatory authorities, such as the Securities and Exchange Commission. Any such actions could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements, which could cause the market price of our common stock to decline or limit our access to capital. We are required to periodically evaluate the effectiveness of the design and operation of our internal controls over financial reporting. In the past we have identified material weaknesses in our internal controls which have been readily remediated and corrected. As of December 31, 2024, specific weaknesses our management identified include: (i) we did not have adequate oversight of physical finished goods inventory held by our third- party product distributor and (ii) an occurrence of management override to our delegation of authority policy. Enhancements, modifications, and changes to our internal controls during the first quarter of fiscal 2025 were necessary in order to eliminate these weaknesses. Despite these weaknesses in internal controls which were detected in a timely manner through other adjacent internal controls and based on an evaluation of potential impacts to our financial reporting, we conclude in our Annual Report on Form 10- K for the year ended December 31, 2024, our internal controls to produce reliable financial reports and related disclosure were operating effectively. See “ Internal Control Over Financial Reporting ”, herein. Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our reported results of operations. We are required to prepare our financial statements in accordance with generally accepted accounting principles in the United States of America (“ GAAP ”), which is ~~focused~~ periodically revised and / or expanded. From time to time, we are required to adopt new or revised accounting standards issued by recognized authoritative bodies, including the Financial Accounting Standards Board (“ FASB ”) and the SEC. It is possible that future accounting standards we are required to adopt may require additional changes to the current accounting treatment that we apply to our financial statements and may require us to make significant changes to our reporting systems. Such changes could result in a material adverse impact on our business, results of operations and financial condition.

**Risks Related with Our Intellectual Property** We rely on third- party intellectual property licenses and agreements to provide and facilitate the basis for and production of our patent- pending technology including our manufactured SOBRcheck and SOBRsure devices. We have limited control over our third- party business partners and contract manufacturers who rely on intellectual property and patents of other parties to supply primary components for our devices. This presents potential manufacturing supply and reliability, quality compliance, and intellectual property infringement risks or expiry of exclusive rights to the intellectual property. Further, there is no assurance components or changes to the intellectual property rights will meet our quality requirements to ensure quality and reliability of our devices. Should our third- party business partners and contract manufacturers not maintain exclusive rights to intellectual property or should the

content of the patents change, this could impact the effectiveness of our current device designs and impair our ability to produce quality products. We may be unable to adequately protect our proprietary rights. We currently have one “use” patent covering the SOBRsafe alcohol monitoring and detection system and / or the SOBRsafe devices and four provisional patents pending with the United States Patent and Trademark Office. These patents are not specific to the components, but rather the overall solution provided by the SOBRsafe devices and software. Our ability to compete partly depends on the superiority, uniqueness and value of our intellectual property. To protect our proprietary rights, we will rely on a combination of patent, copyright and trade secret laws, confidentiality agreements with our employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of our intellectual property: · our applications for patents relating to our business may not be granted and, if granted, may be challenged or invalidated; · issued patents may not provide us with any competitive advantages; · our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology; · our efforts may not prevent the development and commercialization design by others of products alcohol detection devices, is dependent upon our- or SOBRsafe™ technology technologies similar to or competitive with, or superior to those we develop; or · another party may obtain a blocking patent and we would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in our products. If 13 We may become involved in lawsuits to protect or enforce our patents that would technology proves to be ineffective at detecting alcohol-expensive and time- consuming. To protect or enforce our patent rights, we may initiate patent litigation against third parties. In addition, we may become subject to interference or opposition proceedings conducted in person’s system patent and trademark offices to determine the priority and patentability of inventions. The defense of intellectual property rights, including patent rights through secretions lawsuits, interference or opposition proceedings, and other legal and administrative proceedings, would be costly and divert our technical and management personnel from their normal responsibilities. An adverse determination of any litigation or defense proceedings could put our pending patent applications at risk of not being issued. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. For example, during the course of this skin- kind it- of litigation, confidential information may be inadvertently disclosed in the form of documents or testimony in connection with discovery requests, depositions or trial testimony. This disclosure could have a material adverse effect on our business and our financial results. Substantial costs could be incurred defending against claims of intellectual property infringement. Other companies, including competitors, may obtain patents or other proprietary intellectual property rights that would significantly impact limit, interfere with, or otherwise circumscribe our ability to make, use, or sell products. Should there be a successful claim of infringement against us, and if we could not license the alleged infringed technology at a reasonable cost, our business - Our business is dependent upon our SOBRsafe™ technology. Our business plan calls for us to develop and commercialize alcohol detection devices based on our SOBRsafe™ technology. In the event that our technology proves to be ineffective at detecting alcohol in person’s system through secretions from their skin, it would significantly impact our business. Our quarterly and annual operating results may fluctuate significantly - could be adversely affected. There has been substantial litigation regarding patent and other intellectual property rights in the wearable device industry. The validity and breadth of claims covered in technology patents involve complex legal and factual questions for which important legal principles remain unresolved. Any litigation claims against us, independent of their validity, may result in substantial costs and the diversion of resources with no assurance of success. Intellectual property claims could cause us to: · cease selling, incorporating, or using products that incorporate the challenged intellectual property; · obtain a license from the holder of the infringed intellectual property right, which may not be available on reasonable terms, if at all; and · re- design our products excluding the infringed intellectual property, which may not be possible. We may be unable to protect our trademarks, trade secrets, and other intellectual property rights that are important to our business. We consider our trademarks, trade secrets, and other intellectual property an integral component of our success. We rely on trademark law and trade secret protection and confidentiality agreements with employees, customers, partners, and others to protect our intellectual property. Effective trademark and trade secret protection may not be available in every country in which our products are available. We cannot be certain that we have taken adequate steps to protect our intellectual property, especially in countries where the laws may not protect our rights as fully reflect as in the United States or the other global jurisdictions. In addition, if our third- party confidentiality agreements are breached, there may not be an adequate remedy available to us. If our trade secrets become publicly known, we may lose competitive advantages. Risks Associated with Our Products Rapid technological change could cause our products to become obsolete and if we do not enhance our product offerings through our research and development efforts, we may be unable to effectively compete. The technologies underlying performance of our products are subject to rapid and profound technological change. Competition intensifies as technical advances in each field are made and become more widely known. We can give no assurance that others will not develop products, software or services that may present significant advantages over the products, software and services that we offer or are seeking to develop. Any such occurrence could have a material and adverse effect on our business, results of operations, and financial condition. This makes 14 We plan to enhance and broaden our product, software and service offerings in response to changing customer demands and competitive pressure and technologies, but we may not be successful. The success of any new product offering our- or future enhancement to an existing product or software will depend on numerous factors, including our ability to: · properly identify and anticipate enterprise, consumer, patient or business needs; · develop and introduce new products or product enhancements in a timely manner; · adequately protect our intellectual property and avoid infringing upon the intellectual property rights of third parties; · demonstrate the safety

and efficacy of new products, including through the conduct of additional product testing or trials; · obtain necessary regulatory clearances or approvals for new products or product enhancements, if applicable; and · achieve adequate coverage and reimbursement for our products. If we do not develop and, when necessary, obtain regulatory clearance or approval for new products or product enhancements in time to meet market demand, or if there is insufficient demand for these products or enhancements, our results of operations will suffer. Our research and development efforts may require a substantial investment of time and resources before we are adequately able to determine the commercial viability of a new product, technology, material, or other innovation. In addition, even if we are able to successfully develop enhancements or new generations of our products, these enhancements or new generations of products may not produce sales in excess of the costs of development, and / or may be quickly rendered obsolete by changing customer preferences or the introduction by our competitors of products embodying new technologies or features. Failure to keep pace with the latest technological changes could negatively impact our projected revenues. The market for some of our products is characterized by rapid change and technological improvements. Failure to respond in a timely and cost-effective way to these technological developments could result in serious harm to our business and operating results difficult to predict. We derive a substantial portion of our revenues from the development and sale of products. As a result, our success will depend, in part, on our ability to develop and market product offerings that respond in a timely manner to the technological advances of our competitors, evolving industry standards, and changing enterprise and consumer preferences. There is no assurance that we will keep up with technological improvements. Because our technology is innovative and disruptive, we may require additional time to enter the market due to the need to further discover the profile companies within our target markets. Our products are new to the marketplaces in which we operate. As a result, we will need time to penetrate our target markets by further developing the profile companies and customers, and verticals that could benefit the most from our products and technology. If we are not successful in discovering these companies, it could greatly slow our growth and adversely impact our financial condition. If our products do not gain market acceptance, prospects for our sales revenue may be affected. We intend to cause-- use the SOBRsafe technologies in various platforms and markets in behavioral health and wellness industries, judicial administrative applications, through licensing and integration, commercial workplace applications and individual consumer use. Currently, most alcohol sensing devices are breath analyzers and ankle bracelets employed in the judicially mandated markets where the use is usually required by law as a punishment for committing a crime. While punitive markets are attractive, our operating product suite is primarily geared towards aspirational behavioral wellness. We believe this approach and markets will be attractive to many companies, industries and consumers. We must achieve some level of market acceptance to be successful. If we are unable to achieve market acceptance, our investors could lose their entire investment. 15Enterprise and consumer customers may not use our products in sufficient numbers, which could results-- result to fall below expectations or in decreased revenue projections and profits. Customers may not accept any guidance we may provide. Our quarterly and annual results of operations-- our products as effective , including reliable, our - or cost revenue, profitability and cash flow, may vary significantly in the future, and period-- effective to-- period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter or period should not be relied upon as an indication of future performance. Our quarterly and annual operating results may fluctuate significantly as a result of a variety of factors **Factors that could prevent** , many of which are outside our control and, as a result, may not fully reflect the underlying performance of our business. Such **such customer acceptance** fluctuations in quarterly and annual operating results may decrease the value of our common stock. Because our quarterly operating results may fluctuate, period-- to-- period comparisons may not be the best indication of the underlying results of our business and should only be relied upon as one factor in determining how our business is performing. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including **include** , but not limited to: · **if customers conclude the costs of the these** level of adoption and demand for our products **exceed the economic cost savings associated with the use of** in our key industries like probation management, fleet & facility, alcohol rehabilitation and young drivers; · positive or negative coverage in the **these** media, or changes in commercial perception, of our products or competing products, including our brand reputation; · the degree of competition in our industry and any change in the competitive landscape, including consolidation among competitors or future partners; · any safety, reliability or effectiveness concerns that arise regarding our products; · unanticipated pricing pressures in connection with **if customers are financially unable to purchase** the **these** sale of our products; · **if adverse customer events occur with the use of these products, generating adverse publicity**; · **if we lack adequate resources to provide sufficient education and training to our customers, and**; · **if frequent product malfunctions occur, leading customers to believe that the products are unstable or unreliable.** We are currently selling our products through direct sales and channel partners, and will need time to develop brand awareness and recognition, define market verticals, potential market share, and support relationships in order to secure customers and grow revenue. Any failure to maintain and grow our direct sales force and channel partners network could harm our business. The members of our direct sales force are adequately trained and possess technical expertise, which we believe is critical in driving the awareness and adoption of our products. The members of our U. S. sales force are at- will employees. The loss of these personnel to competitors, or otherwise, could materially harm our business. If we are unable to retain our direct sales force personnel or replace the **them** effectiveness **with individuals** of S. sales force are at- will employees. The loss of these personnel to competitors, or otherwise, could materially harm our business. If we are unable to retain our direct sales force personnel or replace them with individuals of comparable expertise and qualifications, or if we are unable to successfully employ such expertise in replacement personnel, our product sales, revenues and results of operations could be materially harmed. **To** **In order to** generate future growth, we will continue to identify and recruit qualified sales and marketing professionals. Training them on our products and on our internal policies and procedures requires significant time, expense and attention. It can take several months or more before

a sales representative is fully trained and productive. Our sales force may subject us to higher fixed costs than those of companies with competing products, placing us at a competitive disadvantage. Our business may be harmed if our efforts to expand and train our sales force do not generate a corresponding increase in product sales and revenue, and our higher fixed costs may slow our ability to reduce costs in the face of a sudden decline in demand for our products. Any failure to hire, develop and retain talented sales personnel, to achieve desired productivity levels in a reasonable period of time to reduce fixed costs, could have material adverse effect on our business, financial condition and results of operations. Our ability to increase our customer base and achieve broader market acceptance of our products will depend, to a significant extent, on our ability to expand our sales and marketing efforts. Our business may be harmed if these efforts and expenditures do not generate a corresponding increase in revenue. If we fail to successfully promote our products in a cost-effective manner, including we may fail to attract our or ability retain the market acceptance necessary to deploy-realize a sufficient number of qualified representatives-return on our promotional efforts, or to sell and market-achieve broad adoption of our products. We need to ensure strong; -- the timing of customer orders for our products and the number of available selling days in any quarterly period, which can be impacted by holidays, the mix of products sold and the geographic mix of where products are sold; -- unanticipated delays in product development performance and reliability to maintain and grow or our business. We need product launches; -- the cost of manufacturing our products, which may vary depending on the quantity of production and the terms of our agreements with third-party suppliers; -- our ability to maintain and raise additional capital on acceptable terms, or at all, if needed to support, improve the commercialization performance and reliability of our products; -- our ability to achieve our profitability objectives. Poor product performance and maintain compliance with all regulatory reliability could lead to customer dissatisfaction, adversely affect our reputation and revenues, and increase our service and distribution costs and working capital requirements applicable to. In addition, our SOBRsafe technology, and the hardware and software incorporated into our SOBRcheck and SOBRsure devices may contain errors or defects, especially when first introduced and while we have made efforts to test this software and hardware extensively, we cannot assure that the software and hardware, or software and hardware developed in the future, will not experience errors or performance problems. Our products and services; -- could contain defects, our or they may be installed ability to obtain, maintain and enforce our or intellectual property rights; -- operated incorrectly, which could reduce sales of those products our or ability and result in claims against us. Although we have quality assurance practices in place to ensure good product quality, defects still may be found in the future in our third-future products. End users could lose party suppliers' ability to supply the their components of confidence in our products and / in a timely manner, in accordance with our or our company if they unexpectedly use defective specifications, and in compliance with applicable regulatory requirements; and -- introduction of new products or use technologies that compete with our products improperly. This 10The cumulative effects of these factors could result in large fluctuations and unpredictability in loss of revenue, loss of profit margin, our or loss of market share quarterly and annual operating results. If our assumptions regarding the risks Risks and uncertainties Associated with Our Competition Because we may face direct, which we use to plan our..... of operations. Because we face intense competition, we may not be able to operate profitably in our markets. The market for our products is highly may become more competitive and is becoming more so as additional competitors enter the market, which could hinder our ability to successfully market our products. We may not have the resources, expertise or other competitive factors to compete successfully in the future. We expect to face additional competition from existing competitors and new market entrants in the future where we may not have the resources, expertise or other competitive factors to compete successfully. Many of our competitors are have greater name recognition and more established relationships in the industry and as than we do. As a result, these competitors may be able to: · develop and expand their product offerings more rapidly; · adapt to new or emerging changes in customer requirements more quickly; · take advantage of acquisition and other opportunities more readily; and · devote greater resources to the marketing and sale of their products, and adopt more aggressive pricing policies than we can.

16Any new competitor could be larger than us and have greater financial and other resources than we do, and those advantages could make it difficult for us to compete with them. Existing and potential competitors to our products may have substantially greater financial, technical, marketing, and other resources. Competition could result in fewer orders, reduced gross margins, and loss of market share. Competitors may develop products that are substantially equivalent to our products, thereby using our products as predicate devices to more quickly obtain market approval for their own products. If overall demand for our products should decrease do not gain market acceptance, prospects for our sales revenue may be affected. We intend to use the SOBR Safe™ technology in various platforms in the preventative, probation management, fleet & facility, alcohol rehabilitation and young drivers' markets. Currently, most alcohol sensing devices are breath analyzers and ankle bracelets employed in the judicially-mandated market where the use is usually required by law as a punishment for committing a crime. We will be asking companies and institutions that have an interest in monitoring whether their employees or contractors have alcohol in their systems due to their job responsibilities (such as fleet and school bus drivers, factory machinists, forklift operators, etc.), to adopt a new requirement that their employees or contractors must abide in order to remain employed. While we believe this will be attractive to many companies and industries, we must achieve some level of market acceptance to be successful. If we are unable to achieve market acceptance, our investors could lose their entire investment. If critical components become unavailable or contract manufacturers delay their production, our business will be negatively impacted. We currently stay ahead of supply chain issues by utilizing multiple sources, but if for reasons out of our control parts are not available, it could impact customer contracts and revenue. We currently outsource supply chain and manufacturing of the SOBRcheck™ device to third-party manufacturers. The stability of component supply will be crucial to maintaining our manufacturing process. Due to the fact we currently manufacture the device utilizing in part, "off the shelf" parts and components, some of our critical devices and components being supplied by certain third-party manufacturers, we may be unable to acquire necessary amounts of key components at competitive prices. We have a material selected these

particular manufacturers based on their ability to consistently produce these products according to our requirements in an effort to obtain the best quality product at the most cost-effective price. However, the loss of all or one of these suppliers or delays in obtaining shipments would have an adverse effect on our operations. **operating until results. Substantial competition is expected in the future in the area of alcohol monitoring and detection** alternative supplier could be found, if one may be located at all. If we get to that stage **may directly compete with our suite of SOBRsafe products. These competitors may** growth, such loss of manufacturers could cause us **use standard or novel technologies or techniques** to breach any contracts we have in place at **detect alcohol use. Other companies may develop alcohol monitoring and detection products** that time **perform better** and / would likely cause us to lose sales. If our **or are less expensive than** contract manufacturers fail to meet our requirements for quality, quantity and timeliness, our business growth could be harmed. We currently outsource the manufacturing of devices utilizing the SOBRsafe™ alcohol detection system to several contract manufacturers. These manufacturers will procure all of the raw materials for us and provide all necessary facilities and labor to manufacture our products. If these companies were to terminate their agreements with us without adequate notice or fail to provide the required capacity and quality on a timely basis, we would be delayed in our ability or unable to process and deliver our products to our customers. Our products could contain defects or they may be installed or operated incorrectly, which could reduce sales of those products or result in claims against us. Although we have **a material adverse** quality assurance practices in place to ensure good product quality, defects **effect on** still may be found in the future in our future products. End-users could lose their confidence in our products and / or **our operating** our company if they unexpectedly use defective products or use our products improperly. This could result **results** in loss of revenue, loss of profit margin, or loss of market share. **Risks Related to Manufacturing** We have limited experience manufacturing our products in large-scale commercial quantities, and we face a number of manufacturing risks that may adversely affect our manufacturing abilities which could delay, prevent or impair our growth. Our growth strategy depends on our ability to manufacture our current and future products in sufficient quantities and on a timely basis to meet customer demand. We outsource with United States based, **third-party** manufacturing companies. If any of our manufacturing facilities suffer damage, or a force majeure event, such damage or event could materially impact our ability to operate, which could materially and adversely affect our business and financial performance. We are also subject to numerous other risks relating to our manufacturing capabilities, including: · quality and reliability of components, sub-assemblies and materials that **we our third-party manufacturers** source from third-party suppliers, who are required to meet our quality specifications, almost all of whom are single source suppliers for the items and materials that they supply; · our **third-party manufacturers** inability to secure components, sub-assemblies and materials in a timely manner, in sufficient quantities or on commercially reasonable terms; · our inability to maintain compliance with quality system requirements or pass regulatory quality inspections; · our failure to increase production capacity or volumes to meet demand; · potential risks associated with disruptions in our supply chain, such as **global conflicts on account of the COVID-19 pandemic** or other macroeconomic events; · lead times associated with securing key components; · our inability to design or modify production processes **to enable with our third-party manufacturers enabling** us to produce future products efficiently or implement changes in current products in response to design or regulatory requirements; and · difficulty identifying and qualifying, and obtaining new regulatory approvals, for alternative suppliers for components in a timely manner. **These 17 These** risks are likely to be exacerbated by our limited experience with our current products and manufacturing processes. As demand for our products increases, we will have to invest additional resources to purchase components, sub-assemblies and materials, hire and train employees and enhance our manufacturing processes. If we fail to increase our production capacity efficiently, we may not be able to fill customer orders on a timely basis, our sales may not increase in line with our expectations and our operating margins could fluctuate or decline. In addition, although some future products may share product features, components, sub-assemblies and materials with our existing products, the manufacture of these products may require modification of our current production processes or unique production processes, the hiring of specialized employees, the identification of new suppliers for specific components, sub-assemblies and materials or the development of new manufacturing technologies. It may not be possible for us to manufacture these products at a cost or in quantities sufficient to make these products commercially viable or to maintain current operating margins, all of which could have a material adverse effect on our business, financial condition and results of operations. **12 We rely** We depend upon third parties to manufacture and supply key components necessary for our **products. We do not have long-term agreements with our manufacturers and suppliers, and if these manufacturers or suppliers become unwilling or unable to provide an adequate supply of key components, with respect to which there is a global shortage, we would not be able to find alternative sources in a timely manner and our business would be adversely impacted. Many of the key components we use in our products come from limited or single sources of supply, and therefore a disruption with any one manufacturer or supplier in our supply chain would have an adverse effect on our ability** third-party intellectual property licenses and agreements **to provide effectively manufacture and facilitate the timely deliver our products. We do not have any long-term supply contracts with any suppliers and purchase components on a purchase order basis. Due to our reliance on these key components, we are subject to the risk of shortages and long lead times in their supply. We are in the process of identifying alternative manufacturers for these components. We may in the future experience shortages and the availability and cost of these components would be difficult to predict. For example, our manufacturers may experience temporary or permanent disruptions in their manufacturing operations due to equipment breakdowns, labor strikes or shortages, natural disasters, component or material shortages, cost increases, acquisitions, insolvency, changes in legal or regulatory requirements, or other similar problems. Further, any delays in production and shipment of products due to a delay our or patent-pending technology including shortage of key components may harm our reputation** manufactured SOBRsafe™ and SOBRsure™ devices. We have limited control over **discourage additional orders and sales, and otherwise materially and adversely affect our business and operations. A** third-party business partners and contract manufacturers **manufacturer who rely's inability to**

produce our products' components on time intellectual property and patents of other parties to supply primary components for our devices. This presents potential manufacturing supply and reliability, quality compliance, and intellectual property infringement risks or our specifications could result in lost revenue expiry of exclusive rights to the intellectual property. Further, there is no assurance components or changes to the intellectual property rights will meet our quality requirements to ensure quality and reliability of our devices. Should our third Third - party business partners and contract manufacturers not maintain exclusive rights to assemble and manufacture components of the intellectual property SOBRcheck and SOBRsure devices to or our should the content specifications. The inability of the patents change, this a manufacturer to ship orders of our products in a timely manner or to meet our quality standards could impact the effectiveness of our current device designs and impair our ability to produce quality products. Because cause us our technology is innovative and disruptive, we may require additional time to enter miss the delivery date requirements of our customers for the those items, which could market due to the need to further discover the profile companies within our target markets. Our products are new to the marketplace. As a result , we will need time to penetrate our target markets by further developing the profile companies that could benefit the most from our products and technology. If we are not successful in cancellation of discovering these companies it could greatly slow our growth and adversely impact our financial condition. We are currently selling our products through direct sales and distributors, and will need time to develop relationships in order orders , refusal to accept deliveries, secure customers and grow revenue. Any failure to maintain and grow our or a reduction in purchase prices direct sales force and distributor network could harm our business. The members of our direct sales force are adequately trained and possess technical expertise, any of which we believe is critical in driving the..... of time to reduce fixed costs, could have a material adverse effect on our revenues. Because of the nature of our products and customers we service, the dates on which customers need and require shipments of products from us are critical. Further, because quality is a leading factor when our enterprise and consumer customers accept or reject our products, any decline in quality by our third- party manufacturers could be detrimental not only to a particular order, but also to the future of our brand and our relationship with that particular customer. If we need to replace manufacturers, our expenses and cost of goods could increase, resulting in low profit margins. We compete with other companies for the production capacity of our manufacturers. Some of these competitors have greater financial and other resources than us and thus, have an advantage in the competition for production. If we experience a significant increase in demand, or if we need to replace an existing manufacturer, we may have to expand our third- party manufacturing capacity. We cannot assure that this additional capacity will be available when required on terms that are acceptable to us or similar to existing terms, which we have with our manufacturers, either from a production standpoint or a financial standpoint. We enter into a number of purchase order commitments specifying a time for delivery, method of payment, design and quality specifications, and other standard industry provisions, but we do not have long- term contracts with any manufacturer. None of the manufacturers we use produce our products exclusively. Should we be forced to replace one or more of our manufacturers, we may experience increased costs or an adverse operational impact due to delays in distribution and delivery of our products to our customers, which could cause us to lose customers or lose revenue because of late shipments. 18Our business could be adversely affected by reliance on sole suppliers. Notwithstanding our current supplier approach, certain essential product components may be supplied in the future by sole, or a limited group of, suppliers. Most of our products and components are purchased through purchase orders rather than through long- term supply agreements, and large volumes of inventory may not be maintained. There may be shortages and delays in obtaining certain product components. Disruption of the supply or inventory of components could result in a significant increase in the costs of these components or could result in an inability to meet the demand for our products. In addition, if a change in the manufacturer of a key component is required, qualification of a new supplier may result in delays and additional expenses in meeting customer demand for products. These factors could adversely affect our revenues and ability to retain our experienced sales force. We could experience cost increases or disruptions in supply of raw materials or other components used in our products. Our third- party manufacturers that assemble and manufacture components for our products expect to incur significant costs related to procuring raw materials required to manufacture and assemble our product. The prices for these raw materials fluctuate depending on factors beyond our control, including market conditions and global demand for these materials and could adversely affect our business, prospects , financial condition and, results of operations , and cash flows . Our Further, any delays or disruptions in our supply chain could harm our business. Global events could cause disruptions to and delays in our operations, including shortages and delays in the supply of certain parts, including semiconductors, materials and equipment necessary for the production of our products, and the internal designs and processes we or third parties may adopt in an effort to remedy or mitigate impacts of such disruptions and delays could result in higher costs. Furthermore, currency fluctuations, tariffs, or shortages in petroleum and other economic or political conditions may result in significant increases in freight charges and raw material costs. Substantial increases in the prices for raw materials or components would increase our operating costs and could reduce our margins. If critical components become unavailable or contract manufacturers delay their production, our business will be negatively impacted. We currently anticipate and prepare in advance to avoid supply chain issues through direct communication and planning with our supply chain vendors, but if for reasons out of our control parts are not available, it could impact customer contracts and revenue. We currently outsource supply chain and manufacturing of the SOBRcheck and SOBRsure devices to third- party manufacturers. The stability of component supply will be crucial to maintaining our manufacturing processes. Due to the fact our devices are currently manufactured utilizing in part, " off the shelf " parts and components, some of the critical devices and components being supplied to our third- party manufacturers may not be available in the necessary quantities or at competitive prices to produce our devices. We have selected these manufacturers based on their ability to consistently

produce these increase our customer base and achieve broader market acceptance of our products according will depend, to a significant extent, on our specifications and requirements in ability to expand our sales and an marketing efforts effort to obtain. Our business may be harmed if these the best quality efforts and expenditures do not generate a corresponding increase in revenue. If we fail to successfully promote our products product in a at the most cost- effective manner price. However, we the loss of all or one of these suppliers or delays in obtaining shipments by our third- party manufacturers would have an adverse effect on our operations until an alternative suppliers could be identified, if one may be located at all. Upon reaching a significant growth stage, such loss of a third- party manufacturer could cause us to breach any customer contracts we have in place at that time and would likely cause us to lose sales. If our contract manufacturers fail to attract meet or our retain requirements for quality, quantity and timeliness, our business growth could be harmed. We currently outsource the market acceptance manufacturing of devices utilizing the SOBRsafe alcohol monitoring and detection system, and development of our SOBRsafe software to third- party contract manufacturers and developers, respectively. These manufacturers procure all of the raw materials, parts and components for us and provide all necessary facilities and labor to realize a sufficient return manufacture our products and develop our software. If these companies were to terminate their agreements with us without adequate notice or fail to provide the required capacity and quality on our promotional efforts a timely basis, we would be delayed in or our ability to achieve broad adoption of our - or unable to process and deliver our SOBRsafe devices or software to our customers. 19 Although we do not manufacture the products - 13 We need we distribute, if one of the products distributed by us proves to ensure strong be defective or is misused by an enterprise or consumer customer, we may be subject to liability that could adversely affect our financial condition and results of operations. Although we do not manufacture the products that we distribute, a defect in the design or manufacture of a product distributed or serviced by us, or a failure of a product distributed by us to performance ---- perform for the use specified, could have a material and adverse effect on our reputation in the industry, and subject us to claims of reliability -- liability to maintain for injuries and grow otherwise. Misuse of the product distributed by us by a customer that results in injury could similarly subject us to liability. Any substantial underinsured loss could have a material and adverse effect on our business - We need to maintain and, if needed financial condition. results improve the performance and reliability of operations, our products to achieve our profitability objectives. Poor product performance and reliability cash flows. Furthermore, any impairment of our reputation could have a material and adverse effect on our revenues and prospects for future business. Risks Related to Security Cyber- attacks and security vulnerabilities could lead to reduced revenue, increased costs, liability claims, or harm to our competitive position. Increased sophistication and activities of perpetrators of cyber- attacks have resulted in an increase in information security risks in recent years. Hackers develop and deploy viruses, worms, and other malicious software programs that attack products and services, and gain access to networks and data centers. In addition to extracting sensitive information, such attacks could include the deployment of harmful malware, ransomware, denial- of- service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. The prevalent use of mobile devices also increases the risk of data security incidents. If we experience difficulties maintaining existing systems or implementing new systems, we could incur significant losses due to disruptions in our operations. Additionally, these systems contain valuable proprietary and confidential information and may contain personal data of our customer customers dissatisfaction. While we believe we have taken reasonable steps to protect such data, techniques used to gain unauthorized access to data and systems, disable or degrade service, or sabotage systems, are constantly evolving, and we may be unable to anticipate such techniques or implement adequate preventative measures to avoid unauthorized access or other adverse impacts to such data or our systems. In addition, some of our third- party service providers and partners also collect and / or store our sensitive information and our customers' data on our behalf, and these service providers and partners are subject to similar threats of cyber- attacks and other malicious internet- based activities, which could also expose us to risk of loss, litigation, and potential liability. A security breach could result in disruptions of our internal systems and business applications, harm to our competitive position from the compromise of confidential business information, or subject us to liability under laws that protect personal data. Additionally, actual, potential or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third- party experts and consultants. Specifically, as cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures and / or to investigate and remediate any information security vulnerabilities. Any of these consequences would adversely affect our reputation and revenues - revenue - and margins increase our service and distribution costs and working capital requirements. Additionally In addition, although our SOBRsafe™ technology, and the software and hardware incorporated into our SOBRcheek™ and SOBRsure™ devices may contain errors or defects, especially when first introduced and while we maintain cyber security insurance coverage have made efforts to test this software and hardware extensively, we cannot assure be certain that the software and hardware, such coverage will be adequate or for data security liabilities actually incurred software and hardware developed in the future, will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not experience errors deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in or our performance problems insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could have a material adverse effect on our reputation, business, prospects, results of operations and financial condition. Our internal computer systems, or those used by our contractors or consultants, may fail or suffer security breaches, and such failure could negatively affect our business, financial condition and, results of operations and cash flows. We depend on our information technology systems for the efficient functioning of our business, including the

manufacture, distribution and maintenance of our products, as well as for accounting, data storage, compliance, purchasing, inventory management and other related functions. We do not have redundant information technology in all aspects of our systems at this time. Despite the implementation of security and back-up measures, our internal computer, server, and other information technology systems as well as those of our third-party consultants, contractors, suppliers, and service providers, may be vulnerable to damage from physical or electronic break-ins, accidental or intentional exposure of our data by employees or others with authorized access to our networks, computer viruses, malware, ransomware, supply chain attacks, natural disasters, terrorism, war, telecommunication and electrical failure, denial of service, and other cyberattacks or disruptive incidents that could result in unauthorized access to, use or disclosure of, corruption of, or loss of sensitive, and / or proprietary data, including personal information ~~and, including~~ health-related information, and could subject us to significant liabilities and regulatory and enforcement actions, and reputational damage. Additionally, theft of our intellectual property or proprietary business information could require substantial expenditures to remedy. Such theft could also lead to loss of intellectual property rights through disclosure of our proprietary business information, and such loss may not be capable of remedying. If we or our third-party consultants, contractors, suppliers, or service providers were to suffer an attack or breach, for example, that resulted in the unauthorized access to or use or disclosure of personal information, we may have to notify consumers, partners, collaborators, government authorities, and the media, and may be subject to investigations, civil penalties, administrative and enforcement actions, and litigation, any of which could harm our business and reputation. **Disruptive global events** ~~The COVID-19 pandemic has~~ generally increased the risk of cybersecurity intrusions. Our reliance on internet technology and the number of our employees who are working remotely may create additional opportunities for cybercriminals to exploit vulnerabilities. For example, there has been an increase in phishing and spam emails as well as social engineering attempts from “hackers” hoping to use **socially engineered crises** ~~the recent COVID-19 pandemic~~ to their advantage. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems or data or systems of our commercial partners, or inappropriate or unauthorized access to or disclosure or use of confidential, proprietary, or other sensitive, personal, or health information, we could incur liability and suffer reputational harm. Failure to maintain or protect our information technology systems effectively could negatively affect our business, financial condition ~~and,~~ results of operations **and cash flows.**

**20Risks Related to Ownership of Our Securities** The market price of our common stock may be volatile and may be affected by market conditions beyond our control. The market price of our common stock is subject to significant fluctuations in response to, among other factors: · variations in our operating results and market conditions specific to our target market verticals; · changes in financial estimates or recommendations by securities analysts; · announcements of innovations or new products or services by us or our competitors; · the emergence of new competitors; · operating and market price performance of other companies that investors deem comparable; · changes in our Board or management; · sales or purchases of our common stock by insiders; · commencement of, or involvement in, litigation; · changes in governmental regulations; and · general economic conditions and slow or negative growth of related markets. In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the market price of our common stock could decline for reasons unrelated to our business, financial condition, results of operations and cash flows. If any of the foregoing occurs we are unable to recruit and retain qualified personnel, it could cause the price of our business common stock to fall and may expose us to lawsuits that, even if unsuccessful, could be harmed costly to defend, and a distraction to the Board and management. Our stock price growth and success highly depend on qualified personnel. Competition in the industry could cause ~~become more volatile and your investment could lose value.~~ A significant drop in our stock price could also expose us to the risk difficulty in recruiting or retaining a sufficient number of qualified technical personnel **securities class actions lawsuits**, which could result in **substantial costs** harm our ability to develop new products. If we are unable to attract and **divert management’s attention** retain necessary key talents, it would harm our ability to develop competitive products and **resources, which** retain good customers and could adversely affect our business and operating results. We may be unable to adequately protect our proprietary rights. 14We currently have one “use” patent covering the SOBRsafe™ alcohol detection system and / or the SOBR devices and two provisional patents pending with the United States Patent and Trademark Office. These patents are not specific to the components, but rather the overall solution provided by the SOBR devices. Our ability to compete partly depends on the superiority, uniqueness and value of our intellectual property. To protect our proprietary rights, we will rely on a combination of patent, copyright and trade secret laws, confidentiality agreements with our employees and third parties, and protective contractual provisions. Despite these efforts, any of the following occurrences may reduce the value of our intellectual property: - Our applications for patents relating to our business may not be granted and, if granted, may be challenged or invalidated; - Issued patents may not provide us with any competitive advantages; - Our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology; - Our efforts may not prevent the development and design by others of products or technologies similar to or competitive with, or superior to those we develop; or - Another party may obtain a blocking patent and we would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in our products. We may become involved in lawsuits to protect or enforce our patents that would be expensive and time consuming. In order to protect or enforce our patent rights, we may initiate patent litigation against third parties. In addition, we may become subject to interference or opposition proceedings conducted in patent and trademark offices to determine the priority and patentability of inventions. The defense of intellectual property rights, including patent rights through lawsuits, interference or opposition proceedings, and other legal and administrative proceedings, would be costly and divert our technical and management personnel from their normal responsibilities. An adverse determination of any litigation or

defense proceedings could put our pending patent applications at risk of not being issued. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. For example, during the course of this kind of litigation, confidential information may be inadvertently disclosed in the form of documents or testimony in connection with discovery requests, depositions or trial testimony. This disclosure could have a material adverse effect on our business and our financial results. The internal controls we utilize to produce reliable financial reports provide no assurance that we will, at all times, in the future be able to report that our internal controls over financial reporting are effective. If we develop material weaknesses in our internal controls, we may not be able to report our financial results accurately or timely or to detect fraud, which could have a material adverse effect on our business. An effective internal control environment is necessary for us to produce reliable financial reports and is an important part of our effort to prevent financial fraud. There are inherent limitations on the effectiveness of internal controls, including collusion, management override, and failure of human judgment. In addition, control procedures are designed to reduce rather than eliminate business risks. If we fail to maintain an effective system of internal controls we may be unable to produce reliable, timely financial reports or prevent fraud, which could have a material adverse effect on our business, including subjecting us to sanctions or investigation by regulatory authorities, such as the Securities and Exchange Commission. Any such actions could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements, which could cause the market price of our common stock to decline or limit our access to capital. We are required to periodically evaluate the effectiveness of the design and operation of our internal controls over financial reporting. In the past we have identified material weaknesses in our internal controls. As of December 31, 2022, the specific weaknesses our management identified include: (i) we do not have sufficient segregation of duties within our accounting functions, and (ii) we have not documented all our internal controls. Enhancements, modifications, and changes to our internal controls during fiscal 2023 were necessary in order to eliminate these weaknesses. Based on these evaluations, we conclude in our Annual Report on Form 10-K for the year ended December 31, 2023, our internal controls to produce reliable financial reports are operating effectively. See “Internal Control Over Financial Reporting”, herein. 15 We may be dependent on outside advisors to assist us. In order to supplement the business experience of management, we may employ accountants, technical experts, appraisers, attorneys or other consultants or advisors. The selection of any such advisors will be made by management and without any control from shareholders. Additionally, it is anticipated that such persons may be engaged by us on an independent basis without a continuing fiduciary or other obligation to us. We are subject to the significant influence of one of our current stockholders, and their interests may not always coincide with those of our other stockholders. Gary Graham and Cord Carpenter currently beneficially own approximately 12.4% and 5.0%, respectively, of our outstanding common stock. As a result, These stockholders are able to significantly influence all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other business combination transactions. Because the interests of Mr. Graham may not always coincide with those of our other stockholders, such stockholder may influence or cause us to take actions with which our other stockholders disagree. Our management has discretion as to how to use any proceeds from the sale of securities. We reserve the right to use the funds obtained from the sale of our securities for purposes our management deems to be in the best interests of the company and our stockholders in order to address changed circumstances or opportunities. As a result of the foregoing, our success will be substantially dependent upon the discretion and judgment of management with respect to application and allocation of the net proceeds from the sale of our securities. The issuance of additional common stock and/or the resale of our issued and outstanding common stock could cause substantial dilution to investors. Our Certificate of Incorporation authorize the issuance of up to 100,000,000 shares of common stock and 25,000,000 shares of preferred stock. Our Board of Directors has the authority to issue additional shares of common stock and to issue options and warrants to purchase shares of our common stock without shareholder approval. Future issuances of common stock could represent further substantial dilution to investors. In addition, the Board of Directors could issue large blocks of voting stock to fend off unwanted tender offers or hostile takeovers without further stockholder approval. Our common stock has been thinly traded and we cannot predict the extent to which a trading market will develop. Our common stock is listed on Nasdaq. Our common stock is thinly traded compared to larger more widely known companies. Thinly traded common stock can be more volatile than common stock trading in an active public market. We cannot predict the extent to which an active public market for our common stock will develop or be sustained. ~~depress the price of our common stock.~~ Future sales of our common stock in the public market could lower the price of our common stock and impair our ability to raise funds in future securities offerings. Future sales of a substantial number of shares of our common stock in the public market, or the perception that such sales may occur, could adversely affect the then prevailing market price of our common stock and could make it more difficult for us to raise funds in the future through a public offering of its securities. **The market price Our management has discretion as to how to use any proceeds from the sale of securities our common stock may be volatile and may be affected by market conditions beyond our control. The market price of** We may not be able to maintain our listing on the Nasdaq, which could have a material adverse effect on us and our stockholders. We may not be able to maintain our listing on ~~the~~ Nasdaq, which could have a material adverse effect on us and our stockholders. The standards for continued listing on Nasdaq include, among other things, that the minimum bid price for the listed securities may not fall below \$ 1.00 for a period in excess of 30 consecutive business days, **the Company maintain a public float of at least 500,000 outstanding common shares,** and stockholders’ equity maintain a minimum value of at least \$ 2,500,000. ~~During 22~~**During** the months of October 2023 and November 2023, our common stock traded at levels below \$ 1.00 per share in excess of the 30 ~~–~~business day requirement. On November 15, 2023, we received a deficiency letter from the Listing Qualifications Department (the “Staff”) of ~~the~~ Nasdaq notifying us that, for the preceding 30 consecutive business days, the closing bid price of our common stock remained below the minimum \$ 1.00 per share requirement for continued inclusion on Nasdaq ~~(~~**In accordance with** the Nasdaq Listing Rules, we have been **“ Bid Price Requirement ”**). **The Company was** provided an initial period of 180

calendar days, or until May 13, 2024, (the "Compliance Date Period") to regain compliance with the Bid Price Requirement. If at any time before ~~On April 8, 2024,~~ the Compliance Date ~~Company received a deficiency letter from~~ the closing bid price of our common stock ~~Staff notifying the Company that, based upon the Company's Annual Report on Form 10-K for the period ended December 31, 2023, the Company is not in~~ at least \$ 1.00 for a minimum of ten consecutive business days, the Staff will provide us with written confirmation of compliance with the Bid Price ~~minimum stockholders' equity~~ Requirement requirement set forth in Nasdaq Listing Rule 5550 (b) (1), which requires companies listed on Nasdaq to maintain a minimum of \$ 2, 500, 000 in stockholders' equity for continued listing (the "Stockholders' Equity Rule"). ~~If we do~~ Pursuant to Nasdaq Listing Rule 5810 (d) (2), the failure to comply with the Stockholders' Equity Rule became an additional and separate basis for delisting. On May 15, 2024, the Company received a staff determination letter (the "Determination Letter") from the Staff notifying the Company that it had ~~not regain~~ regained compliance with the Bid Price Requirement by ~~May 13 the Compliance Date,~~ we may be 2024, and was not eligible for a second 180- day period due to the Company's additional failure to comply with the Stockholders' Equity Rule for Nasdaq. The Company subsequently requested a hearing before the Nasdaq Hearings Panel (the "Panel") which automatically stayed any suspension or delisting action for the Company's securities pending the Panel hearing decision. A hearing on these matters was held on July 2, 2024. On August 5, 2024, the Company received a letter from the Panel stating that the Panel determined to grant the request of the Company to continue its listing on the Nasdaq Capital Markets subject to certain conditions enumerated therein. The Panel determined to grant the Company's request for an exception until October 23, 2024, to regain compliance with the Bid Price Requirement and Stockholders' Equity Rule. As a result of the 1- for- 110 reverse stock split of the common stock completed on October 2, 2024, the aggregate number of outstanding common stock was reduced from 34, 764, 593 shares on a pre- reverse- split basis to a total of 316, 046 shares outstanding on a post- reverse split basis including additional shares issued 180 calendar day compliance period. To qualify, we would then be required to meet the continued listing requirement for market value fractional share rounding, with 285, 611 of such shares currently qualifying as publicly held shares and all other initial listing standards for purposes of meeting the minimum 500, 000 publicly held shares requirement pursuant to Nasdaq Listing Rule 5550 (a) (4) (the "Minimum Float Requirement"). On October 4, 2024, the Company received a letter from the Staff notifying that the Company does not currently meet the Minimum Float Requirement. The Staff granted the Company until October 11, 2024, to provide the Panel with its views with respect to this additional deficiency. On October 9, 2024, ~~the exception~~ Company closed a Private Placement financing for gross proceeds of \$ 8. 2 million issuing an aggregate of 2, 024, 691 units consisting of 414, 691 common shares issued immediately upon closing and 1, 610, 000 Prefunded Warrants. Each unit issued included one common share, two Series A warrants and one Series B warrant. On October 15, 2024, the Company provided an update to the Panel outlining the steps it had taken to regain and sustain compliance with the Bid Price Requirement, Minimum Float Requirement, ~~and would need the~~ Stockholders' Equity Rule, within the 180- day Panel extension. On October 30, 2024, the Company received a Determination Letter from the Panel confirming that the Company had regained compliance with the Bid Price Requirement in Listing Rule 5550 (a) (2), the Minimum Float Requirement in Listing Rule 5550 (a) (4), and the Stockholders' Equity Rule in Listing 5550 (b) (1), as required by the Hearing Panel's decision dated August 5, 2024. Pursuant to Listing Rule 5815 (d) (4) (B), the Company will be subject to a Mandatory Panel Monitor for a period of one year from the October 30, 2024 Determination Letter. If, within that one- year monitoring period, Staff finds the Company again out of compliance with the Equity Rule that was the subject of the exception, notwithstanding Rule 5810 (c) (2), the Company will not be permitted to provide written notice the Staff with a plan of its intention compliance with respect to that deficiency and the Staff will not be permitted to grant additional time for the Company to regain compliance with respect to that deficiency, nor will the company be afforded an applicable cure or the deficiency during the additional 180 calendar day compliance period pursuant to Rule 5810 (c) (3). Instead, which compliance could the Staff will issue a Delist Determination Letter and the Company will have an opportunity to request a new hearing with the initial Panel or a newly convened Hearings Panel if the initial Panel is unavailable. The Company will have the opportunity to respond / present to the Hearings Panel as provided by Listing Rule 5815 (d) (4) (C). The Company's securities may be achieved by effecting at that time delisted from Nasdaq. On April 4, 2025, the Company effected a 1- for- 10 reverse split of the Company's common stock on the Nasdaq Capital Markets raising its then common share bid price from the prior day's closing price of approximately \$ 0. 35 per share to approximately \$ 3. 47 per share at the open of the market. The closing bid price on April 4, 2025 was \$ 4. 87 per share exceeding the Bid Price Requirement for the trading day. This reduced the number of issued and outstanding shares of common stock from approximately 15, 261, 445 shares to approximately 1, 526, 145 shares. The reverse stock split applies equally, if necessary. At December 31, 2023, our stockholders' equity was below the Nasdaq minimum Stockholders' Equity Requirement of \$ 2, 500, 000. At the date of this filing, we have not received a deficiency letter from the Staff of the Nasdaq regarding this listing requirement. Upon notification of deficiency by the Staff, we will have 45 days to all outstanding shares submit a plan to regain compliance with this Nasdaq listing standard. Staff may extend this deadline for up to an additional five calendar days upon good cause shown and may request such additional information from us as is necessary to make a determination regarding whether to grant such an extension. If the plan is accepted, Nasdaq can grant an extension of up to 180 calendar days from the date of notification to evidence compliance. We are currently evaluating opportunities to increase our stockholders' equity including but not limited to capital financing and debt conversion inducement options. If the closing bid price of our common stock, and each of the value of our stockholders' stockholder holds' equity were to fail to meet Nasdaq's respective minimum requirements within the prescribed periods, or if we otherwise fail to meet any other the applicable requirements same percentage of Nasdaq and we are unable to regain compliance, Nasdaq may make a determination to delist our common stock outstanding immediately following the reverse stock split. The delisting Any fractional shares as a result of our the reverse stock split were

**rounded up to one full share of** common stock from Nasdaq could negatively impact us by (i) reducing the liquidity and market price of our common stock; (ii) reducing the number of investors willing to hold or acquire our common stock, which could negatively impact our ability to raise equity financing; (iii) impacting our ability to use a registration statement to offer and sell freely tradable securities, thereby preventing or limiting us from accessing the public capital markets; and (iv) impairing our ability to provide equity incentives to our employees. There **23**There can be no assurance that we will regain compliance or otherwise maintain compliance with any of the other **Nasdaq** listing requirements. Nonetheless, we intend to monitor the closing bid price of our common stock and may, if appropriate, consider available options, including a reverse stock split, to regain compliance with the Bid Price Requirement, and evaluating capital financing and debt conversion inducement options to gain compliance with the Stockholders' Equity Requirement Rule. **If** Future sales of our common stock in..... our control. The market price of our common stock is **delisted from the Nasdaq and becomes** subject to significant fluctuations in response to, among other-- **the penny stock rules, it would become more difficult** factors: -- variations in our operating results and market conditions specific to **trade** Biomedical Industry companies; -- changes in financial estimates or **our** recommendations by **shares. The SEC has adopted regulations which define a " penny stock " to be any equity** securities **security that has a** analysts; -- announcements of innovations or new products or services by us or our competitors; -- the emergence of new competitors; -- operating and market price performance **(as therein defined) of less** other companies that **than \$ 5. 00 per share** investors deem comparable; -- changes in our **or board** an exercise price of less than \$ 5. 00 per share, subject to certain **exceptions. Unless exempt, the rules require the delivery, prior to any transaction involving a penny stock by a retail customer, of a disclosure schedule prepared by the SEC relating to the penny stock market. Disclosure is also required to be made about commissions payable to both the broker / dealer and the registered representative and current quotations or for management; -- sales** the securities. Finally, monthly statements are required to be sent disclosing recent price information **or for purchases** the penny stock held in the account and information on the limited market in penny stocks. **If, following this offering, the market price for shares** of our common stock **falls below \$ 5** by insiders; -- commencement of, or involvement in, litigation; -- changes in governmental regulations; and -- general economic conditions and slow or negative growth of related markets. **00** In addition, if **and we do not satisfy any of** the **exceptions to** market for stocks in our industry, or the **SEC' s definition of penny** stock market in general, experience a loss of investor confidence, the market price of our common stock **could decline** will be classified as a penny stock. **If such should occur, as a result of the penny stock restrictions, brokers or potential investors may be reluctant to trade in our securities, which may result in less liquidity** for reasons unrelated to our business, financial condition or **our securities** results of operations. If any of the foregoing occurs, it could cause the price of our common stock to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to the board of directors and management. 17