

## Risk Factors Comparison 2025-03-31 to 2024-03-28 Form: 10-K

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A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks described below, as well as the other information in this Annual Report, including our consolidated financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,”<sup>22</sup> particularly before deciding whether to invest in our securities. The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. The risks 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 impair our business operations and adversely affect our results of operations and financial condition. ~~Risk Factor Summary~~ The following is a summary of the most significant risks and uncertainties that we believe could adversely affect our business, financial condition and results of operations. The summary should be read in conjunction with the more detailed risk factors set forth in this “Risk Factors” section and the other information contained in this Annual Report.

**Risks Related to Our Business** · We operate in an extremely competitive industry and are subject to pricing pressures. · We have a history of losses. As our costs increase, we may not be able to generate sufficient revenue to achieve and sustain profitability. · Our audited financial statements include a statement that there is a substantial doubt about our ability to continue as a going concern and a continuation of negative financial trends could result in our inability to continue as a going concern. · **Our results of operations could be adversely affected by changes in the cost and availability of raw materials and we are dependent on third- party manufacturers and suppliers. · Increases in costs, disruption of supply or shortage of any of our battery components, such as electronic and mechanical parts, or raw materials used in the production of such parts, could harm our business. · Our business and future growth depends on the needs and success of our customers. ·** We have substantial customer concentration, with a limited number of customers accounting for a substantial portion of our sales in **2024 and 2023** and 2022. · **If Nearly all of our raw materials enter the United States through a limited number of ports, and we fail rely on third parties to expand store and ship some of our inventory; labor unrest at these ports or our other product delivery difficulties sales and distribution channels, our business could suffer interfere with our distribution plans and reduce our revenue. · Increases** **The uncertainty in global economic conditions** costs, disruption of supply or shortage of any of our battery components, such as electronic and mechanical parts, or raw materials used in the production of such parts could harm **negatively affect** our business **results of operations** . · We are currently, and will likely continue to be, dependent on our **three two warehouses- warehouse facilities** . If our facilities become inoperable for any reason, our ability to produce our products could be negatively impacted. · **We could face potential product liability or warranty claims relating to our products, including the components thereof, which could reduce market adoption, result in reputation damage, and result in significant costs and liabilities, which would reduce our profitability. · Our operations expose us to litigation, tax, environmental, and other legal compliance risks. · Our failure to introduce new products and product enhancements that respond to customer and end consumer demand, and any broad market acceptance of new technologies introduced by our competitors** , could adversely affect our business. · We may not be able to adequately protect our proprietary intellectual property and technology and we may need to defend ourselves against intellectual property infringement claims. · **Any acquisitions that we complete may dilute stockholder ownership interests in the Company, may have adverse effects on our financial condition and results of operations and may cause unanticipated liabilities. · If our electronic data is compromised , or we experience a failure in or our information if we fail to keep pace with developments in technology or storage systems** , our business could be significantly harmed. · Our ability to raise capital in the future may be limited, which could make us unable to fund our capital requirements and ~~sustain our operations~~ **stockholders may be diluted by future securities offerings** . · We depend on our senior management team and other key employees, and significant attrition within our management team or unsuccessful succession planning could adversely affect our business. **Risks Related to Ownership of our Common Stock · Our stock price may fluctuate significantly, and you may lose all or a part of your investment.** · Sales of substantial amounts of our securities in the public markets, or the perception that such sales might occur, could reduce the price of our securities and may dilute your voting power and your ownership interest in us. · **The exercise of outstanding warrants may result in a substantial increase in the number of shares of our common stock that are outstanding. · The Series A Warrants and Series B Warrants may have an adverse effect on the market price of our common stock and make it more difficult to effect a business combination. · The Reverse Stock Split cash true- up payment provision in the Series A Warrants we sold in the August 2024 Public Offering may have a material adverse impact on our financial condition, may impede our ability to raise additional capital, and may discourage an acquisition of us by a third party.** ~~Risks- Risk~~ **Related to Our Business** · We operate in **Capital Structure · Our long- term lease an and** extremely competitive industry and are subject ~~debt obligations could adversely affect our ability to pricing pressures~~ **raise additional capital to fund operations and limit our ability to enter into certain transactions** . We compete with a number of major international and domestic manufacturers, assemblers and distributors, as well as a large number of smaller, regional competitors. In addition, our customers have many choices for energy storage solutions in the markets that we serve , including both traditional lead- acid products as well as lithium- ion products. We ~~anticipate continued~~ **believe our main** competitive ~~pricing pressure~~ **advantage in displacing incumbent lead- acid batteries is that we produce a lighter , including due safer, higher performing, cost- effective battery with a longer lifespan. We believe our product offerings, proven reliability, and relationships with**

dealers, private-label direct to consumer and OEMs enable us to compete effectively against other battery manufacturers and position us favorably to expand into new addressable markets. However, OEM sales typically result in lower average selling prices and related margins, which could result in overall margin erosion, affect our growth, or require us to raise our prices. As a result, we may be unable to our competitive advantage. Our current competitors have, and future competitors may have, greater resources than we do. Our competitors may be able to devote greater resources to the development of their current and future technologies. For example, foreign producers who are may be able to employ labor at significantly lower costs than producers in the U. S., expand their export capacity and increase their marketing presence in our major Americas- America markets. In addition, Several several of our competitors have strong may be able to devote greater resources to technical, marketing, sales, manufacturing, distribution and other resources, as well as significant name recognition, established positions in the market and long- standing relationships with OEMs and other customers. These advantages may afford them greater access to customers, and may be able to establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their competitive positioning. Our failure to adapt to or address these factors could have a material adverse effect on our business, financial condition, and results of operations. In addition, our ability to maintain and improve our operating margins has depended, and continues to depend, on our ability to control and reduce our costs. We cannot assure you that we will be able to continue to control our operating, assembly and manufacturing expenses, to raise or maintain our prices or increase our unit volume or unit mix, in order to maintain or improve our operating results. We have a history of operations losses. As our costs increase, we may not be able to generate sufficient revenue to achieve and sustain profitability. We have experienced net losses in each period since inception. We generated net losses of \$ 13.5 million and \$ 7.5 million for each of the years ended December 31, 2024 and 2023 and 2022, respectively. Part of our business strategy is to focus on our long- term growth. As a result, our profitability may be lower in the near- term than it would be if our strategy were to maximize short- term profitability. Significant expenditures on sales and marketing efforts, expanding our platform, products, features, and functionality, and expanding our research and development, each of which we intend to continue to invest in, may not ultimately grow our business or cause long- term profitability. If we are ultimately unable to achieve profitability at the level anticipated by industry or financial analysts and our stockholders, our stock price may decline. Our efforts to grow our business may be costlier than we expect, or our revenue growth rate may be slower than we expect, and we may not be able to increase our revenue enough to offset the increase in operating expenses resulting from these investments. If we are unable to continue to grow our revenue, the value of our business and common stock may significantly decrease, which may in turn have a material adverse effect on our ability to raise capital to grow our business. Our audited financial statements include a statement that there is a substantial doubt about our ability to continue as a going concern and a continuation of negative financial trends could result in our inability to continue as a going concern. Our audited financial statements as of and for the years ended December 31, 2024 and 2023 and 2022 were prepared on the assumption that we would continue as a going concern. For the years ended December 31, 2024 and 2023 and 2022, we the company has sustained recurring losses and negative cash flows from operations. These factors raise substantial doubt about our ability to continue as a going concern over the next twelve-12 months and our independent auditors have included a “ going concern ” explanatory paragraph in their report on our financial statements as of and for the years ended December 31, 2024 and 2023 and 2022. If our operating results of operations fail to improve and / or if we fail to raise additional debt or equity financing, then our financial condition could render us unable to continue as a going concern. Our business and future growth depends..... on third- party manufacturers and suppliers. We currently rely on multiple third- party manufacturers located in Asia to manufacture who also produce our batteries and battery cells, and we intend to continue to rely on these suppliers going forward. Lithium- ion batteries are our most significant raw material and are used along with significant amounts of plastics, steel, copper and other materials in our assembly and manufacturing processes. Our third- party manufacturers source the raw materials and battery components required for the production of our batteries directly from third- party suppliers and thus we may have limited control over the agreed pricing for these raw materials and battery components. We estimate that raw material costs account for over half of our cost of goods sold. The costs of these raw materials, particularly lithium- ion batteries, are volatile and beyond our control. Additionally, availability of the raw materials used to manufacture our products may be limited at times resulting in higher prices and / or the need to find alternative suppliers. Furthermore, the cost of raw materials may also be influenced by transportation costs. Volatile raw material costs can significantly affect our operating results of operations and make period- to- period comparisons extremely difficult. We cannot assure you that we will be able to either hedge the costs or that we or our third- party manufacturers will be able to secure the availability of our raw material requirements at a reasonable level or that we will be able to pass on to our customers the increased costs of our raw materials without affecting demand, or that limited availability of materials will not impact our production capabilities. Our inability to raise the price of our products in response to increases in prices of raw materials or to maintain a proper supply of raw materials could have an adverse effect on our revenue, operating profit, and net income. In addition, during the years ended December 31, 2024 and 2023 and 2022, approximately 82 % and 70 % and 85 %, respectively, of inventory purchases were made from foreign suppliers in Asia. Our dependence on a limited number of key third- party manufacturers and suppliers exposes us to challenges and risks in ensuring that we maintain adequate supplies required to produce our batteries. We do not have long- term purchase arrangements with our third- party manufacturers and our purchases are completed on a purchase order basis. Thus, although we carefully manage our inventory and lead -times, we may experience a delay or disruption in our supply chain and / or our current suppliers may not continue to provide us with lithium- ion batteries in our required quantities or to our required specifications and quality levels or at attractive prices. Our close working relationships with our foreign suppliers to date, reflected in our ability to increase our purchase order volumes (qualifying us for related volume- based discounts) and to order and receive delivery of components in advance of required demand, has helped us moderate or offset increased supply- related costs associated with inflation, currency fluctuations, and tariffs imposed on our battery imports by the U. S. government

and avoid potential shipment delays. If **However, if** we are unable to enter into or maintain commercial arrangements with these suppliers on favorable terms, or if any of these suppliers experience unanticipated delays, disruptions or shutdowns or other difficulties ramping up their supply of products or materials to meet our requirements, our assembly operations and customer deliveries would be seriously impacted, potentially resulting in liquidated damages and harm to our customer relationships. Although we believe we could locate alternative suppliers to fulfill our needs, we may be unable to find a sufficient alternative supply in a reasonable time or on commercially reasonable terms. Further, our dependence on these third-party suppliers entails additional risks, including: • inability, failure, or unwillingness of third-party suppliers to comply with regulatory requirements; • breach of supply agreements by the third-party suppliers; • misappropriation or disclosure of our proprietary information, including our trade secrets and know-how; • relationships that third-party suppliers may have with others, which may include our competitors, and failure of third-party suppliers to adequately fulfill contractual duties, resulting in the need to enter into alternative arrangements, which may not be available, desirable, or cost-effective; and • termination or **non-renewal** of agreements by third-party suppliers at times that are costly or inconvenient for us. Several of our key manufacturers and suppliers are located in China, and we are exposed to the possibility of product supply disruption and increased costs in the event of changes in the policies, laws, rules and regulations of the United States or Chinese governments, as well as political unrest or unstable economic conditions in China. For example, trade tensions between the United States and China have been escalating in recent years. **Most notably**, several rounds of U.S. **the lithium-ion battery industry has been subjected to** tariffs **implemented by** have been placed on Chinese goods being exported to the United States **government**. Each of these U.S. tariff impositions against Chinese exports was followed by a round of retaliatory Chinese tariffs on **goods imported** U.S. exports to China. Our batteries and other components we purchase from China have been, **There is and an ongoing risk of new or additional tariffs being put in place on lithium-ion** in the future **be batteries or related parts which would significantly increase our cost of goods sold, subject which could require us to increase prices to our customers or, if we are unable to do so, result in lower gross margins on the products sold by us. In addition,** these tariffs, which could increase our manufacturing costs and could make our products, if successfully developed and approved, less competitive than those of our competitors whose inputs are not subject to these tariffs. **These U.S. tariff impositions against Chinese exports have been followed by a round of retaliatory Chinese tariffs on U.S. exports to China. The imposition of additional tariffs by the United States could trigger the adoption of tariffs by other countries as well. Any resulting escalation of trade tensions, including a "trade war," could have a significant adverse effect on world trade and the world economy, as well as on our results of operations. At this time, we cannot predict how such enacted tariffs will impact our business.** We may otherwise experience supply disruptions or delays, and although we carefully manage our inventory and lead-times, our suppliers may not continue to provide us with battery components in our required quantities, to our required specifications and quality levels or at attractive prices. Further, we may be unable to control price fluctuations for these components or negotiate supply arrangements on favorable terms to us. We may also be exposed to fluctuations in the value of the U.S. dollar relative to the Renminbi with any appreciation in the value of the Renminbi increasing our costs for lithium-ion batteries and other raw materials sourced from China. Substantial increases in the prices for our lithium-ion batteries and other raw materials would increase our operating costs and negatively impact our results of operations. In addition, foreign currency fluctuations relative to the value of the U.S. dollar could affect the price of components and materials used in our batteries and sourced from countries other than the United States. Increases in costs, disruption of supply or shortage of any of our battery components, such as electronic and mechanical parts, or raw materials used in the production of such parts, could harm our business. From time to time, we may experience increases in the cost or a sustained interruption in the supply or shortage of battery components. For example, a global shortage and component supply disruptions of electronic battery components are currently being reported, and the full impact to us is yet unknown. Other examples of shortages and component supply disruptions could include the supply of electronic components and raw materials (such as resins and other raw metal materials) that go into the production of our battery components. Any such cost increase or supply interruption could materially and negatively impact our business, prospects, financial condition and **operating results of operations**. The prices for our battery components fluctuate depending on market conditions and global demand, and could adversely affect our business, prospects, financial condition and **operating results of operations**. For instance, we are exposed to multiple risks relating to price fluctuations for battery cells. These risks include, but are not limited to: • supply shortages caused by the inability or unwillingness of suppliers and their competitors to build or operate component production facilities to supply the numbers of battery components **required requires** to support the rapid growth of the electric RV and marine component vehicle industry and other industries in which we operate as demand for such components increases; • disruption in the supply of electronic circuits due to quality issues or insufficient raw materials; • a decrease in the number of manufacturers of battery components; and • an increase in the cost of raw materials. We are dependent on the continued supply of battery components for our products. Any disruption in the supply of battery components could temporarily disrupt production of our products by our third-party manufacturers until a different supplier is fully qualified. The cost of our battery products depends in part upon the prices and availability of raw materials such as lithium, nickel, cobalt, and / or other metals which are used to produce battery components. Our third-party manufacturers source the raw materials and battery components required for the production of our batteries directly from third-party suppliers and thus we may have limited control over the agreed pricing for these raw materials and battery components. The prices for these materials fluctuate and their available supply may be unstable, depending on market conditions and global demand for these materials, including as a result of increased global production of electric vehicles ("EVs") and energy storage products. Furthermore, fluctuations or shortages in petroleum and other economic conditions may cause us to experience significant increases in freight charges. Any reduced availability of these raw materials or substantial increases in the prices for such materials may increase the cost of our components and consequently, the cost of our products. There can be no assurance that we will be able to recoup increasing

costs of our components by increasing prices, which in turn could damage our brand, business, prospects, financial condition and **results of operations**. Our customers include dealers, wholesalers, private-label customers and **original equipment manufacturers** ("OEMs"). The demand for our products ultimately depends on consumers in our current end markets (primarily owners of RVs and marine vessels). These markets can be impacted by numerous factors, including, consumer spending, travel restrictions, fuel costs and energy demands (including an increasing trend towards the use of green energy) and overall economic conditions. Increases or decreases in these variables may significantly impact the demand for our products. If we fail to accurately predict demand, we may be unable to meet our customers' needs, resulting in the loss of potential sales, or we may produce excess products, resulting in increased inventory and overcapacity in our production facilities, increasing our unit production **cost and decreasing our operating margins**. We have substantial customer concentration, with a limited number of customers **accounting for a substantial portion of our sales in 2024 and 2023**. We currently derive a significant portion of our revenue from a limited number of customers. Sales to one customer totaled approximately 14 % of our gross sales during the year ended December 31, 2024, and four other customers had accounts receivable balances representing 60 % of our total accounts receivable as of December 31, 2024. During the year ended December 31, 2023, sales to two customers totaled approximately 21 % of our total gross sales and these customers did not have any outstanding accounts receivable at December 31, ~~and 2023~~. While these customers did not have accounts receivable balances as of December 31, 2023, four other customers had accounts receivable balances totaling \$ 140 thousand, representing ~~90-92~~ % of total accounts receivable as of December 31, 2023. Sales to each of our other customers did not exceed 10 % during this period. During the year ended December 31, 2022, sales to our top three customers totaled approximately 41 % of our total sales. Amounts due from these customers totaled approximately 43 % of our total accounts receivable at December 31, 2022. There are inherent risks whenever a large percentage of total revenues **gross sales** are concentrated with a limited number of customers. In addition, our sales are completed on a purchase order basis and most are without firm, long-term revenue commitments or sales arrangements. It is not possible for us to predict the future level of demand for our products and services that will be generated by our customers or the future demand for the products and services of our other customers. If any of our customers experience declining or delayed sales due to market, economic or competitive conditions, we could be pressured to reduce the prices we charge for our products which could have an adverse **effect on our margins and financial position and could negatively affect our revenue and results of operations and / or trading price of our common stock**. Furthermore, there is inherent risk associated with accounts receivable concentration as a deterioration in the financial condition of a limited number of account debtors, or any other factor which affects their ability or willingness to pay could in turn have a material adverse effect on our financial condition. We may not be able to successfully manage our growth. We have been continuously expanding our operations since our founding in 2016. As we continue to grow, we must continue to improve our managerial, technical and operational knowledge and allocation of resources, and to implement an effective management information system. To effectively manage our expanded operations, we need to continue to recruit and train managerial, accounting, internal audit, engineering, assembly and manufacturing, technical, sales and other staff to satisfy our development requirements and there are currently **significant labor shortages in the market**. In order to fund our ongoing operations and our future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources. Furthermore, we will likely continue to be **required to manage relationships with a greater number of customers**, dependent suppliers, contractors, service providers, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we are able to comply with our legal and contractual obligations and to reduce our operational and compliance risks. We cannot assure you that we will not experience issues such as capital constraints, construction delays, operational difficulties at new locations, or difficulties in expanding our existing business and operations and in recruiting and training an increasing number of personnel to manage and operate the expanded business. Our expansion plans may also adversely affect our existing operations and thereby have a material adverse effect on our **business three warehouse facilities**. If our facilities become inoperable for any reason, our ability to produce our products could **prospects, financial condition and results of operations**. Our results of operations may be negatively impacted **by public health epidemics or outbreaks**. We are exposed to risks associated with public health crises and epidemics or pandemics. A widespread health crisis could adversely affect the global economy, resulting in an economic downturn that could impact our operations and demand for our products and therefore have a material adverse effect on our business and results of operations. For example, the COVID- 19 global pandemic adversely impacted our operations, supply chains, and distribution systems as well as those of our third-party suppliers and manufacturers, which are located in the United States, Asia and Europe. A future public health epidemic or outbreak may make it more difficult for us and our third-party manufacturers to find sufficient components or raw materials and component parts on a timely basis or at a cost-effective price. Any performance failure on the part of any of our significant suppliers or third-party manufacturers could interrupt production of our products, which would have a material adverse effect on our business, financial condition and results of operations. In addition, during the pandemic we experienced shortages and workforce slowdowns due to stay-at-home mandates, illness among our workforce, delays in shipping finished products to customers, and delays in our receiving batteries and certain components. The highly competitive labor market made it difficult to recruit and maintain a workforce properly sized and suited for our operational and strategic needs, which further adversely impacted our business, and any future incidence of disease could similarly impact our business. In addition, while the pandemic positively impacted our battery sales due to more consumers adopting the RV lifestyle, there is no guarantee that any such increase would be sustained, which could cause our results of operations to fluctuate. ~~If we fail to expand our sales and distribution channels, our business could suffer~~. Our success, and our ability to increase sales and operate profitably, depends on our ability to identify target customers and convert these customers into meaningful orders, as well as our continued development of existing customer relationships. If we are unable to expand our sales and distribution channels, we may not be able to increase revenue or achieve market acceptance of our products. We **are**

**expanding** have recently expanded our direct sales force and plan to recruit additional sales personnel. New sales personnel will require training and take time to achieve full productivity, and there is strong competition for qualified sales personnel in our business. In addition, we believe that our future success is dependent upon establishing successful relationships with a variety of distribution partners. To date, we have entered into agreements with only a small number of these distribution partners. We cannot be certain that we will be able to reach agreement with additional distribution partners on a timely basis or at all, or that these distribution partners will devote adequate resources to selling our products. Furthermore, if our distribution partners fail to adequately market or support our products, the reputation of our products in the market may suffer. In addition, we will need to manage potential conflicts between our direct sales force and any third-party reselling efforts. There can be no assurances that any of our efforts to expand our sales and distribution channels will be successful. Our ability to expand into international markets is uncertain. Our strategy is to expand our operations into international markets. In addition to general risks associated with international expansion, such as foreign currency fluctuations and political and economic instability, we face the following risks and uncertainties any of which could prevent us from selling our products in a particular country or harm our business operations once we have established operations in that country: ~~the difficulties and costs of localizing products for foreign markets; the need to modify our products to comply with local requirements in each country; and our lack of a direct sales presence in other countries, our need to establish relationships with distribution partners to sell our products in these markets and our reliance on the capabilities and performance of these distribution partners.~~ If we are unable to expand into international markets in the manner expected, our business, financial condition, results of operations and prospects may be materially and adversely affected. Nearly all of our raw materials enter the United States through a limited number of ports and we rely on third parties to store and ship some of our inventory; labor unrest at these ports or other product delivery difficulties could interfere with our distribution plans and reduce our revenue. We currently rely exclusively on foreign manufacturers to manufacture the lithium-ion batteries used as raw materials in our products, as well as certain other of our raw materials. We may suffer delays in receiving raw materials due to work stoppages, strikes or lockouts or other bottlenecks at the ports through which our raw materials are shipped. Likewise, we rely on trucking carriers to deliver products from the port of arrival to our distribution facilities and from our distribution facilities to our customers. Additionally, in some cases, third parties sort, store, and direct-ship products to our customers. Labor unrest or other disruptions could result in product shortages and delays in distributing our products to retailers, which could materially and adversely affect our business, financial condition, results of operations, and prospects. **Our operating results** are directly affected by the general global economic conditions of the industries in which our major customer groups operate. Our business is also highly dependent on the economic and market conditions in each of the geographic areas in which we operate. Our products are heavily dependent on the end markets that we serve and our **operating results of operations** will vary by location, depending on the economic environment in these markets. Sales of our RV and marine power products, for example, depend significantly on demand for new electric products for RVs and marine applications, which, in turn, depends on end-user demand for RVs and boats. The uncertainty in global economic conditions varies by geographic location and can result in substantial volatility in global credit markets, particularly in the United States. These conditions, including levels of consumer spending, economic recessions, slow economic growth, economic and pricing instability, inflation levels, increase of interest rates, credit market volatility and adverse developments affecting financial institutions, could affect our business by reducing prices that our customers may be able or willing to pay for our products or by reducing the demand for our products. In addition, **the Russia-Ukraine war and the Israel-Palestine conflict has and may continue to further exacerbate disruptions in the global supply chain. As a result of sanctions imposed in relation to the Russia-Ukraine conflict, gas prices in the United States have risen to historic levels, and geopolitical tensions in the Middle East have impacted global shipping routes. Any rise in the cost of fuel may cause a decrease in RV travel, which could ultimately negatively impact sales of our batteries for RVs.** We have also **historically** experienced increased shipping costs as a result of increased fuel costs and shutdowns at the ports through which our lithium-ion batteries and other raw materials are shipped, **and such costs could adversely** due to COVID-19 restrictions. ~~We did not experience any major residual impacts~~ **impact our results of operations in 2023 future periods.** Any of the above factors could, in turn, negatively impact our sales and earnings generation and result in a material adverse effect on our business, cash flow, results of operations and financial position. Government reviews, inquiries, investigations, and actions could harm our business or reputation. As we operate in various locations around the world, our operations in certain countries ~~are subject to~~ **are subject to** significant governmental scrutiny and may be adversely impacted by the results of such scrutiny. The regulatory environment with regard to our business is evolving, and officials often exercise broad discretion in deciding how to interpret and apply applicable regulations. From time to time, we receive formal and informal inquiries from various government regulatory authorities, as well as self-regulatory organizations, about our business and compliance with local laws, regulations or standards. Any determination that our operations or activities, or the activities of our employees, are not in compliance with existing laws, regulations or standards could result in the imposition of substantial fines, interruptions of business, loss of supplier, vendor, customer or other third-party relationships, termination of necessary licenses and permits, or similar results, all of which could potentially harm our business and / or reputation. Even if an inquiry does not result in these types of determinations, regulatory authorities could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business, and it potentially could create negative publicity which could harm our business and / or reputation. ~~Our~~ **We have a** warehouse ~~locations~~ **location** in Redmond, Oregon and ~~another a third warehouse~~ in Elkhart, Indiana. Our facilities may be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, flooding, fire and power outages, utility and transportation infrastructure disruptions, acts of war or terrorism, or by public health crises, which may render it difficult or impossible for us to assemble our products for an extended period of time. The inability to produce our products or the backlog that could develop if any of our facilities is inoperable for even a short period of time may result in increased costs, harm to our

reputation, a loss of customers or a material adverse effect on our business, financial condition or results of operations. Although we maintain property damage and business interruption insurance, this insurance may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, if at all. Our long- term target is to onshore the manufacturing of most of our components and assemblies, including cell manufacturing, to the United States. ~~As part of this agenda, we leased a second facility in Redmond, Oregon for assembly line development and additional warehouse space.~~ Our plans for expansion may experience delays, incur additional costs, or cause disruption to our existing production lines. The costs to successfully achieve our expansion goals may be greater than we expect, and we may fail to achieve our anticipated cost efficiencies, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, while we are generally responsible for delivering products to the customer, we do not maintain our own fleet of delivery vehicles and outsource this function to third parties. Any shortages in trucking capacity, any increase in the cost thereof or any other disruption to the highway systems could limit our ability to deliver our products in a timely manner or at all. Lithium- ion battery cells have been observed to catch fire or release smoke and flame, which may have a negative impact on our reputation and business. Our lithium- ion batteries use LiFePO4 as the cathode material for lithium- ion cells. On rare occasions, lithium- ion cells can rapidly release the energy they contain by releasing smoke and flames in a manner that can ignite nearby materials and other lithium- ion cells. This faulty result could subject us to lawsuits, product recalls, or redesign efforts, all of which would be time -consuming and expensive. Further, negative public perceptions regarding the suitability or safety of lithium- ion cells or any future incident involving lithium- ion cells, such as a vehicle or other fire, even if such incident does not involve our products, could seriously harm our business and reputation. To facilitate an uninterrupted supply of lithium- ion batteries, we store a significant number of lithium- ion batteries at our facilities. Any mishandling, other safety issue or fire related to the cells or batteries could disrupt our operations. In addition, any accident, whether occurring at our facilities or from the use of our batteries, may result in significant production interruption, delays or claims for substantial damages caused by personal injuries or property damage. Such damage or injury could lead to adverse publicity and potentially a product recall, which could have a material adverse effect on our brand, business, financial condition and results of operations. We could face ~~potential~~ product liability **or warranty** claims relating to our products, **including the components thereof,** which could **reduce market adoption, result in reputation damage, and** result in significant costs and liabilities, which would reduce our profitability. **Our product offerings and energy storage solutions, which are complex, could contain design- or manufacturing- related defects, or may not operate at expected performance levels.** We face an inherent business risk of exposure to product liability claims in the event that the use of any of our products results in personal injury or property damage. **In the event that any of our products prove to be defective, we may be required to recall or redesign such products, which would result in significant unexpected costs. Any insurance we maintain may not be available on terms acceptable to us or such coverage may not be adequate for liabilities actually incurred. Further, any claim or product recall could result in adverse publicity against us, which could adversely affect our sales or increase our costs.** We are also exposed to potential liability and product performance warranty risks that are inherent in the design, assemble, manufacture and sale of our products. **We sell the majority of our products to customers with conditional repair or replacement warranties. For example, our branded DC mobile chargers are warrantied for two years from the date of sale, and our branded VPR 4EVER Classic and Platinum batteries are warrantied at gradually lesser levels over a 12- year period from date of sale. As a result, we bear the risk of warranty claims long after we have sold the product and recognized revenue. In the event that any of addition, under real world operating conditions, which may vary by location and design, as well as environmental conditions, our products prove may perform in a different way than under standard test conditions or other failure data sets. We depend significantly on our reputation for safety and reliability and high- quality products and services, exceptional customer service, and our brand name to attract new customers and maintain our current customers, and grow our business. If our products do not perform as anticipated or we experience unexpected reliability problems or widespread product failures, our brand and market reputation could be defective, significantly impaired and we may lose, or be required unable to gain** recall or redesign such products, which would result in significant unexpected costs. ~~Any insurance we maintain may not be available on terms acceptable to us or such coverage may not be adequate for-~~ **or retain** liabilities actually incurred. Further, **customers any claim or product recall could result in adverse publicity against us, which could impact our business and results of operations. We have been required to make assumptions and apply judgments, including the durability and reliability of our products, regarding their performance over the estimated warranty period and our anticipated rate of warranty claims. We have a relatively limited operating history and must project how our offerings will perform over the estimated warranty period and the estimated reserve may have material changes. Historically, there have been very few claims and costs for repairs or replacement parts have been nominal. However, warranty reserves include our management’ s best estimates of the projected costs to repair or replace items under warranty, which is based on estimated failure rates. Our assumptions could prove to be materially different from the actual performance of our products, causing us to incur substantial expense to repair or replace defective products in the future. An increase in our estimates of future warranty obligations could cause us to increase the amount of warranty obligations. If our warranty reserves are inadequate to cover future warranty claims on our energy storage products, our financial condition and results of operations could be** adversely affect-affected ~~our sales or increase our costs.~~ Our operations expose us to litigation, tax, environmental and other legal compliance risks. We are subject to a variety of litigation, tax, environmental, health and safety and other legal compliance risks. These risks include, among other things, possible liability relating to product liability matters, personal injuries, intellectual property rights, contract- related claims, government contracts, taxes, health and safety liabilities, environmental matters and compliance with competition laws and laws governing improper business practices. We could be charged with wrongdoing as a result of such matters. If convicted or found liable, we could be subject to significant fines, penalties, repayments or other damages (in certain cases, treble damages). In the area of taxes,

changes in tax laws and regulations, as well as changes in related interpretations and other tax guidance could materially impact our tax receivables and liabilities and our deferred tax assets and tax liabilities. We plan to manufacture lithium-ion batteries in the future which involves processing, storing, disposing of and otherwise moving large amounts of hazardous materials, **and federal, state, and local regulations impose significant environmental requirements on the manufacturing, storage, transportation, and disposal of various components of advanced energy storage systems**. As a result, we will be subject to extensive and changing environmental, health and safety laws, and regulations governing, among other things, the generation, handling, storage, use, transportation and disposal of hazardous materials; remediation of polluted ground or water; emissions or discharges of hazardous materials into the ground, air or water; and the health and safety of our employees. **Although we believe our operations are in material compliance with applicable environmental regulations, there can be no assurance that changes in such laws and regulations will not impose costly compliance requirements on us or otherwise subject us to future liabilities**. Our ongoing compliance with environmental, health and safety laws, regulations and permits could require us to incur significant expenses, limit our ability to modify or expand our facilities or continue production and require us to install additional pollution control equipment and make other capital improvements. In addition, private parties, including employees, could bring personal injury or other claims against us due to the presence of, or exposure to, hazardous substances used, stored or disposed of by us or contained in our products. Certain environmental laws assess liability on owners or operators of real property for the cost of investigation, removal or remediation of hazardous substances at their current or former properties or at properties at which they have disposed of hazardous substances. These laws may also assess costs to repair damage to natural resources. We may be responsible for remediating damage to our properties caused by former owners by our existing operations or by our future operations. Changes in environmental and climate laws or regulations could lead to new or additional investment in production designs and could increase environmental compliance expenditures. For example, the United States Environmental Protection Agency has promulgated regulations applicable to projects involving greenhouse gas emissions above a certain threshold, and the United States and certain states within the United States have enacted, or are considering, limitations on greenhouse gas emissions. Changes in climate change concerns, or in the regulation of such concerns, including greenhouse gas emissions, could subject us to additional costs and restrictions, including increased energy and raw materials costs. Additionally, we cannot assure you that we have been or at all times will be in compliance with environmental laws and regulations or that we will not be required to expend significant funds to comply with, or discharge liabilities arising under, environmental laws, regulations and permits, or that we will not be exposed to material environmental, health or safety litigation. We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in the jurisdictions in which we conduct or in the future may conduct activities, including, the U. S. Foreign Corrupt Practices Act (the "FCPA"). The FCPA generally prohibits companies and their intermediaries from making improper payments to non-U. S. officials for the purpose of obtaining or retaining business. The FCPA applies to companies, individual directors, officers, employees and agents. Under the FCPA, U. S. companies may be held liable for actions taken by strategic or local partners or representatives. The FCPA also imposes accounting standards and requirements on publicly traded U. S. corporations and their foreign affiliates, which are intended to prevent the diversion of corporate funds to the payment of bribes and other improper payments. Our policies mandate compliance with these antibribery laws. Despite meaningful measures that we undertake to facilitate lawful conduct, which include training and internal control policies, these measures may not always prevent reckless or criminal acts by our employees or agents as we expand our operations from the United States domestically to abroad. As a result, we could be subject to criminal and civil penalties, disgorgement, further changes or enhancements to our procedures, policies and controls, personnel changes or other remedial actions. Violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction and result in a material adverse effect on our competitive position, results of operations, cash flows or financial condition. Our ~~failure~~ **success will depend on our ability to introduce/develop** new products and ~~product enhancements and broad market acceptance of capabilities that respond to consumer demand, industry trends, or developments by our competitors. There is no assurance that we will be able to successfully develop~~ **new products and capabilities that adequately respond to these forces** ~~technologies introduced by our competitors could adversely affect our business. In addition, Many-many~~ new energy storage technologies have been introduced over the past several years. For certain important and growing markets, such as aerospace and defense, lithium-based battery technologies have a large and growing market share. Our ability to achieve significant and sustained penetration of key developing markets, including the RV and marine, **and home energy** markets, will depend upon our success in developing or acquiring these and other technologies, either independently, through joint ventures, or through acquisitions, which in each case may require significant capital. **In addition, new product introductions and technologies are risky, and may suffer from a lack of market acceptance, delays in related product development and failure of new products to operate properly. Any failure by us to successfully launch new products, or a failure by us to meet our customers criteria in order to accept such products, could adversely affect our results**. If we fail to develop or acquire, assemble and manufacture and sell, products that satisfy our customers' demands, or we fail to respond effectively to new product announcements by our competitors by quickly introducing competitive products, then **we may fail to maintain our competitive position in our market-markets**, ~~acceptance of our products could be reduced~~ and our business **and financial condition** could be adversely affected. We cannot assure you that our portfolio of primarily lithium-ion products will remain competitive with products based on new technologies. We ~~may not be able to adequately protect our proprietary intellectual property and technology and we may need to defend ourselves against intellectual property infringement claims.~~ We rely on a combination of copyright, trademark, patent and trade secret laws, non-disclosure agreements and other confidentiality procedures and contractual provisions to establish, protect and maintain our proprietary intellectual property and technology and other confidential information. Certain of these technologies, especially battery case construction, are important to our business and are not protected by patents. Despite our efforts to protect our proprietary intellectual property and technology and other

confidential information, unauthorized parties may attempt to copy or otherwise obtain and use our intellectual property and proprietary technologies. If we are unable to protect our intellectual property and technology, we may lose any technological advantage we currently enjoy and may be required to take an impairment charge with respect to the carrying value of such intellectual property or goodwill established in connection with the acquisition thereof. In either case, our **operating results of operations** and net income may be adversely affected. In addition, entities holding intellectual property rights relating to our technology may bring suits alleging infringement of such rights or otherwise asserting their rights and seeking licenses. Any such litigation or claims, whether or not valid or successful, could result in substantial costs and diversion of resources and our management's attention. If we are determined to have infringed upon a third-party's intellectual property rights, we may have to pay substantial damages, obtain a license or cease making certain products, which in turn could have a material adverse effect on our business, **operating results of operations** and financial condition. Quality problems with our products could harm our reputation and erode our competitive position. The success of our business will depend upon the quality of our products and our relationships with customers. In the event that our products fail to meet our customers' standards, our reputation could be harmed, which would adversely affect our marketing and sales efforts. We cannot assure you that our customers will not experience quality problems with our products. ~~Any acquisitions that we complete may dilute stockholder ownership interests in the Company, may have adverse effects on our financial condition and results of operations and may cause unanticipated liabilities.~~ As part of our growth strategy, we may make future investments in businesses, new technologies, services and other assets that complement our business. Future acquisitions may involve the issuance of our equity securities as payment, in part or in full, for the businesses or assets acquired. Any future issuances of equity securities would dilute stockholder ownership interests. In addition, future acquisitions might not increase, and may even decrease, our earnings or earnings per share and the benefits derived by us from an acquisition might not outweigh or might not exceed the dilutive effect of the acquisition. We also may incur additional debt or suffer adverse tax and accounting consequences in connection with any future acquisitions. ~~If our electronic data is compromised, or we experience a failure in our information technology or storage systems, our business could be significantly harmed.~~ We and our business partners maintain significant amounts of data electronically in locations around the world. This data relates to all aspects of our business, including current and future products and services under development, and also contains certain customer, supplier, partner and employee data. Our ability to execute our business strategy depends, in part, on the continued and uninterrupted performance of our information technology systems, which support our operations. We maintain systems and processes designed to protect this data, but notwithstanding such protective measures, there is a risk of intrusion, cyberattacks, tampering, theft, misplaced or lost data, programming and / or human errors that could compromise the integrity and privacy of this data, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness, and results of operations. High-profile security breaches at other companies and in government agencies have increased in recent years, and cyber-attacks are becoming more sophisticated and frequent, and in some cases have caused significant harm. Computer hackers and others routinely attempt to breach the security of technology products, services and systems, and to fraudulently induce employees, customers, or others to disclose information or unwittingly provide access to systems or data. While we devote significant resources to security measures to protect our systems and data, these measures cannot provide absolute security. In addition, we provide confidential and proprietary information to our third-party business partners in certain cases where doing so is necessary to conduct our business. While we obtain assurances from those parties that they have systems and processes in place to protect such data, and where applicable, that they will take steps to assure the protections of such data by third parties, nonetheless those partners may also be subject to data intrusion or otherwise compromise the protection of such data. Any compromise of the confidential data of our customers, suppliers, partners, employees or ourselves, or failure to prevent or mitigate the loss of or damage to this data through breach of our information technology systems or other means could substantially disrupt our operations, harm our customers, employees and other business partners, damage our reputation, violate applicable laws and regulations, subject us to potentially significant costs and liabilities and result in a loss of business that could be material. We operate a number of critical computer systems throughout our business that can fail for a variety of reasons. If such a failure were to occur, we may not be able to sufficiently recover from the failure in time to avoid the loss of data or any adverse impact on certain of our operations that are dependent on such systems. This could result in lost sales and the inefficient operation of our facilities for the duration of such a failure. ~~Our ability to raise capital in the future may be limited, which could make us unable to fund our capital requirements and our stockholders may be diluted by future securities offerings.~~ Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both or by entering into credit facilities or securing other types of financing. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, or at all, we may be unable to fund our capital requirements. Further, we may be restricted in our ability to access existing sources of liquidity. ~~For example, pursuant to the common stock purchase agreement (the "Common Stock Purchase Agreement") with Tumim Stone Capital, LLC ("Tumim"), we may, at our sole discretion, direct Tumim to purchase up to \$ 20.0 million of our Common Stock from time to time over a 24-month period (the "Equity Line of Credit Financing"). The purchase price per share that we may elect to sell to Tumim under the Common Stock Purchase Agreement will fluctuate based on the market prices of our Common Stock during a valuation period. Accordingly, it is not currently possible to predict the number of shares that will be sold to Tumim, the actual purchase price per share to be paid by Tumim for such Shares, or the actual gross proceeds to be raised in connection with those sales, which may be substantially less than the \$ 20.0 million available to us under the Common Stock Purchase Agreement.~~ In addition, actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other

similar risks, such as the closure of Silicon Valley Bank and the placement into receivership of Signature Bank in March 2023, have in the past and may in the future lead to market-wide liquidity problems. **If** Although we did not have any cash or cash equivalent balances on deposit at Silicon Valley Bank, if other banks and/or financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to raise additional financing or to access our existing cash, cash equivalents and investments may be threatened. If we incur new debt, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our **Common common Stock stock**. For example, the senior convertible note issued to 3i, LP (the “3i Note”) contains restrictions on our ability to pay dividends or make distributions. If we issue additional equity securities, existing stockholders may experience dilution, and the new equity securities could have rights senior to those of our **Common common Stock stock**. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our **Common common Stock stock** and diluting their interest. We depend on our senior management team and other key employees, and significant attrition within our management team or unsuccessful succession planning could adversely affect our business. Our success depends in part on our ability to attract, retain and motivate senior management and other key employees. Achieving this objective may be difficult due to many factors, including fluctuations in global economic and industry conditions, competitors’ hiring practices, cost reduction activities, and the effectiveness of our compensation programs. Competition for qualified personnel can be very intense. We must continue to recruit, retain and motivate senior management and other key employees sufficient to maintain our current business and support our future projects. We are vulnerable to attrition among our current senior management team and other key employees. A loss of any such personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business, financial condition and results of operations. For example, John Yozamp, our co-founder, former Chief Business Development Officer, and former Chief Executive Officer, pioneered multiple new recreational concepts in the RV industry and leveraged extensive relationships in the RV OEM business to establish our company. Mr. Yozamp retired as Chief Business Development Officer as of December 31, 2023. **In addition, Greg Aydelott, our Chief Financial Officer, resigned from his role as of December 31, 2024.** While we believe we have successfully transitioned from his ~~these departure-departures~~ and have sufficient experience among our management team, any additional attrition ~~in the future among senior management or key employees~~ could adversely impact us. **In addition, if The board has commenced a search for a new Chief Financial Officer. If** we are unsuccessful in our succession planning efforts, the continuity of our business and results of operations could be adversely affected. Changes in tax laws or tax rulings could materially affect our financial position, results of operations, and cash flows. The income and non-income tax regimes we are subject to or operate under are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially affect our financial position, results of operations, and cash flows. **The overall tax environment remains uncertain and increasingly complex. Future changes in tax laws, treaties or regulations, and their interpretation or enforcement, may be unpredictable, particularly as taxing jurisdictions face an increasing number of political, budgetary, and other fiscal challenges. In the U. S., various proposals to change corporate income taxes are periodically considered. Tax rates in the jurisdictions in which we operate may change as a result of macroeconomic and other factors outside of our control, making it increasingly difficult to operate with certainty about taxation.** For example, changes to U. S. tax laws enacted in December 2017 had a significant impact on our tax obligations and effective tax rate beginning 2018, **and the full consequences of the significant changes to U. S. tax laws as a result of the Tax Cuts and Jobs Act of 2017 (the “Tax Cuts and Jobs Act”) have not yet been fully determined.** These enactments and future possible guidance from the applicable taxing authorities may have a material impact on ~~our the Company’s operating results of operations~~. **The Company In addition, regulatory or legislative developments may arise from various U. S. tax reform proposals, some of which include proposed changes to the U. S. tax laws, which, if adopted, could result in increased taxation of our business operations. We closely monitors—monitor** these proposals as they arise in the countries where it operates. Changes to the statutory tax rate may occur at any time, and any related expense or benefit recorded may be material to the fiscal quarter and year in which the law change is enacted. ~~We The Company~~ regularly assesses—**assess** the likely outcomes of ~~its our~~ tax audits and disputes to determine the appropriateness of ~~its our~~ tax reserves. However, any tax authority could take a position on tax treatment that is contrary to ~~our the Company’s~~ expectations, which could result in tax liabilities in excess of reserves. **In addition, the foregoing items, as well as any future changes in tax laws, could have a material adverse effect on our business, cash flow, financial condition, or results of operations.** A failure to keep pace with developments in technology could impair our operations or competitive position. Our business continues to demand the use of sophisticated systems and technology. These systems and technologies must be refined, updated and replaced with more advanced systems on a regular basis in order for us to meet our customers’ demands and expectations. If we are unable to do so on a timely basis or within reasonable cost parameters, or if we are unable to appropriately and timely train our employees to operate any of these new systems, our business could suffer. We also may not achieve the benefits that we anticipate from any new system or technology, such as fuel abatement technologies, and a failure to do so could result in higher than anticipated costs or could impair our ~~operating results of operations~~. **Risks Related to Ownership of Our Common Stock Our stock price may fluctuate significantly, and you may lose all or a part of your investment.** The trading price of our securities may be volatile and subject to wide price fluctuations in response to various factors, including: · market conditions in the broader stock market; · actual or anticipated fluctuations in our quarterly financial condition and results of operations, or those of other companies in our industry; · actual or anticipated strategic, technological, or regulatory threats, whether or not warranted by actual events; · whether any securities analysts cover our stock; · issuance of new or changed securities analysts’ reports or recommendations, if any; · investor perceptions of our Company, the lithium

battery and accessory industry; · the volume of trading in our stock; · changes in accounting standards, policies, guidance, interpretations, or principles; · sales, or anticipated sales, of large blocks of our stock; · additions or departures of key management personnel, creative, or other talent; · regulatory or political developments, including changes in laws or regulations that are applicable to our business; · litigation and governmental investigations; · sales or distributions of our common stock by significant stockholders, the entity through which our controlling stockholder holds its investment, or other insiders; · natural disasters and other calamities; and · macroeconomic conditions. Furthermore, the stock market has experienced extreme volatility that in some cases has been unrelated or disproportionate to the operating performance of particular companies. These and other factors may cause the market price and demand for our securities to fluctuate substantially, which may limit or prevent investors from readily selling their securities and it may otherwise negatively affect the liquidity of our securities. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the ~~Company~~ **company** that issued the stock. If any of our stockholders were to bring a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business. We do not anticipate paying dividends on our ~~Common~~ **common Stock stock** in the foreseeable future, **and** you may not receive any return on investment unless you sell your ~~Common~~ **common Stock stock** for a price greater than that which you paid for it. We do not anticipate paying any dividends in the foreseeable future on our ~~Common~~ **common Stock stock**. We intend to retain all future earnings for the operation and expansion of our business and the repayment of outstanding debt. ~~Our credit documents~~ **Any future debt facilities we may enter into may** contain, ~~and any future indebtedness likely will contain,~~ restrictive covenants that impose significant operating and financial restrictions on us, ~~including restrictions on our ability to pay dividends and or make other restricted payments~~ **distributions, and any new credit facilities we may enter into may contain similar restrictions**. As a result, capital appreciation, if any, of our ~~Common~~ **common Stock stock** may be your major source of gain for the foreseeable future. While we may change this policy at some point in the future, we cannot assure you that we will make such a change. If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our stock, or if our results of operations do not meet their expectations, our stock price and trading volume could decline. The trading market for our securities may be influenced by the research and reports that securities or industry analysts publish about us or our business (or the absence of such research or reports). If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock prices or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade recommendations regarding our stock, or if our results of operations do not meet their expectations, our stock prices could decline and such decline could be material. You may be diluted by the future issuance of additional ~~Common~~ **common Stock stock** in connection with our incentive plans, acquisitions or otherwise. You will experience additional dilution upon the exercise of options and warrants to purchase our ~~Common~~ **common Stock stock**, including those options currently outstanding and possibly those granted in the future, and the issuance of restricted stock or other equity awards under our stock incentive plans. As of ~~March 23~~ **December 31**, 2024, we had 200,000,000 shares of ~~Common~~ **common Stock stock** authorized, of which ~~72,036,096,937,082~~ were issued. **Subsequent to December 31, 2024, we issued to certain institutional investors in connection with a registered direct offering (i) 474,193 shares of common stock; and (ii) 574,193 pre-funded warrants (the “January 2025 Pre-Funded Warrants”) to purchase up to 574,193 shares of common stock (the “January 2025 Pre-Funded Warrant Shares”). The January 2025 Pre-Funded Warrants were all exercised immediately upon issuance. In a concurrent private placement that closed January 3, 2025, the Company also issued to the institutional investors unregistered warrants (the “January 2025 Warrants”) to purchase up to an aggregate of 1,048,386 shares of common stock. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — January 2025 Registered Direct Offering and Warrant Private Placement” for additional information regarding the offering.** Our Articles of Incorporation authorizes us to issue shares of ~~Common~~ **common Stock stock** and options, rights, warrants and appreciation rights relating to ~~Common~~ **common Stock stock** for the consideration and on the terms and conditions established by our Board of Directors (“Board”) in its sole discretion, whether in connection with our incentive plans, acquisitions or otherwise. We have reserved ~~101,000,000~~ shares of ~~Common~~ **common Stock stock** for issuance upon the exercise of outstanding stock options under the 2021 Incentive Award Plan and ~~252,500,000~~ shares of ~~Common~~ **common Stock stock** for issuance pursuant to our 2021 Employee Stock Purchase Plan. In addition, as of ~~March 23~~ **December 31**, 2024, there were ~~765,295~~ outstanding warrants, ~~30,000~~ options not issued under a specific plan, and ~~1,179,500~~ options to purchase ~~1~~ **up to 5,974,380,795,965** shares of our ~~Common~~ **common Stock stock**. In addition, there are ~~52-11,540~~ **RSUs-430** shares of common stock issuable upon the exercise of equity incentive awards outstanding under our 2021 Incentive Award Plan as of December 31, 2024. Any ~~Common~~ **common Stock stock** that we issue, including stock issued under our 2021 Incentive Award Plan or other equity incentive plans that we may adopt in the future, as well as under outstanding options or warrants would dilute the percentage ownership held by our common stockholders. To the extent we raise additional capital by issuing equity securities, our stockholders may also experience substantial additional dilution. ~~Sales of substantial amounts of our securities in the public markets, or the perception that such sales might occur, could reduce the price of our securities and may dilute your voting power and your ownership interest in us.~~ If our existing stockholders sell substantial amounts of our securities in the public market, **including the shares of common stock issued or issuable upon the exercise of the August 2024 Pre-Funded Warrants, Series A Warrants and Series B Warrants issued in the August 2024 Public Offering, as well as shares of common stock issued in the January 2025 Registered Direct Offering (including the January 2025 Pre-Funded Warrant Shares) and upon the issuance of shares of common stock upon the exercise, if any, of the January 2025 Warrants, and shares issued as consideration in any future acquisitions, or the market perceives that such sales may occur,** the market price of our securities could decrease significantly **fall and we may be unable to sell our securities in the future. See the section titled “Management’s**

**Discussion and Analysis of Financial Condition and Results of Operations — August 2024 Public Offering and Subsequent Warrant Exercises and Adjustments to Warrant Exercise and Reset Prices ” and “ — January 2025 Registered Direct Offering and Warrant Private Placement ” for additional information regarding the August 2024 Public Offering and January 2025 Registered Direct Offering, respectively.** The perception in the public market that our stockholders might sell securities could also depress our market price. As of March 23-25, 2024-2025, we had 73,036-144,937-468 shares of ~~Common~~ **common Stock** ~~stock~~ outstanding. Pursuant to the terms of the warrants issued to the underwriters (or their designees) in connection with our initial public offering (the “ Underwriter Warrants ”), the holders of the Underwriter Warrants have the right, subject to certain conditions, to require us to register the sale of the shares of our ~~Common~~ **common Stock** ~~stock~~ underlying their Underwriter Warrants under the Securities Act. If the holders of the Underwriter Warrants exercise their registration rights, the market price of shares of our securities may drop significantly. In addition, all of the shares of ~~Common~~ **common Stock** ~~stock~~ issuable upon exercise of outstanding stock options under the 2021 Incentive Award Plan and all of the shares of ~~Common~~ **common Stock** ~~stock~~ issuable pursuant to the 2021 Employee Stock Purchase Plan have been registered for public resale under the Securities Act. A decline in the price of shares of our securities might impede our ability to raise capital through the issuance of additional shares of our ~~Common~~ **common Stock** ~~stock~~ or other equity securities.

**Although our common stock is listed on Nasdaq, the exchange could subsequently delist our common stock if we fail to comply with ongoing listing standards. Our common stock currently is listed on Nasdaq. We are required to meet specified financial requirements in order to maintain such listing, including a requirement that the bid price for our common stock remain above \$ 1.00. On September 6, 2024, as expected, we received a staff determination from The Nasdaq Listing Qualifications Department of The Nasdaq Stock Market (“ Nasdaq ”) to delist our common stock from Nasdaq. On September 12, 2024, we requested an appeal hearing, staying the delisting of the common stock pending a decision from a hearings panel. Upon successful completion of the Reverse Stock Split, we received a letter from Nasdaq staff on October 23, 2024, advising us that we had regained compliance with the continued listing requirements in Listing Rule 5550 (a) (2) and that we are therefore in compliance with Nasdaq’ s listing requirements. Consequently, the scheduled hearing before the hearings panel on October 24, 2024, was cancelled. See the section titled “ Legal Proceedings ” for further information on the delisting notice. While shares of our common stock continue to be listed and traded on Nasdaq, there can be no assurance that we will continue to meet Nasdaq listing standards. Any potential delisting of our common stock from Nasdaq may have materially adverse consequences to our stockholders, including:**

**As of December 31, 2024, 114,676,797 Series A Warrants, exercisable for 5,286,692 shares of common stock, at \$ 5.206 per share (post- Adjustment), and 3,075,000 Series B Warrants exercisable for 87,384 shares of common stock, at \$ 0.10 per share (post- Adjustment) were outstanding. In addition, subsequent to December 31, 2024, we issued to certain institutional investors the January 2025 Warrants to purchase up to an aggregate of 1,048,386 shares of common stock at an exercise price of \$ 2.36 per share, subject to adjustment for reverse stock splits, recapitalizations, and reorganizations. The exercise of the Series A Warrants and, to a lesser extent, the Series B Warrants and January 2025 Warrants could result and have resulted in a substantial increase in the number of shares of common stock outstanding and therefore materially dilute the ownership percentage of currently outstanding shares of common stock. See the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — January 2025 Registered Direct Offering and Warrant Private Placement ” and “ — August 2024 Public Offering and Subsequent Warrant Exercises and Adjustments to Warrant Exercise and Reset Prices ” for additional information regarding the January 2025 Registered Direct Offering and August 2024 Public Offering, respectively. Provisions of the Series A Warrants and Series B Warrants we sold in the August 2024 Public Offering may discourage an acquisition of us by a third party. Certain provisions of the Series A Warrants and Series B Warrants we sold in the August 2024 Public Offering could make it more difficult or expensive for a third- party to acquire us. The Series A Warrants and Series B Warrants each prohibit us from engaging in certain transactions constituting “ fundamental transactions ” unless, among other things, the surviving entity assumes our obligations under the applicable warrants. These and other provisions of the Series A Warrants and Series B Warrants could prevent or deter a third- party from acquiring us even where the acquisition could be beneficial to our investors. The Series A Warrants and Series B Warrants may have an adverse effect on the market price of our common stock and make it more difficult to effect a business combination. To the extent we issue shares of common stock to affect a future business combination, the potential for the issuance of a substantial number of additional shares of common stock upon exercise of the Series A Warrants and, to a lesser extent, the Series B Warrants could make us a less attractive acquisition vehicle in the eyes of a target business. Such Series A Warrants and Series B Warrants, when exercised, will increase the number of issued and outstanding shares of common stock and reduce the value of the shares issued to complete the business combination. Accordingly, the Series A and Series B Warrants may make it more difficult to effectuate a business combination or increase the cost of acquiring a target business. Additionally, the sale, or even the possibility of a sale, of the shares of common stock underlying the August 2024 Pre- Funded Warrants, Series A Warrants, and Series B Warrants could have an adverse effect on the market price for our securities or on our ability to obtain future financing. If and to the extent the Series A Warrants and Series B Warrants are exercised, our investors may experience dilution to their holdings. As a result of the daily volume weighted average price (“ VWAP ”) of the common stock during the five trading days before and after the Reverse Stock Split, the Reverse Stock Split cash true- up payment provision in the Series A Warrants, which is capped at \$ 5.0 million in the aggregate under all Series A Warrants, was triggered, but the payment of the Reverse Stock Split cash true- up payment is currently suspended in accordance with the terms of the Series A Warrants. However, in connection with the January 2025 Registered Direct Offering, we used approximately \$ 500,000 of the \$ 2.2 million in net proceeds to satisfy a portion of amounts owed to our Series A Warrant holders pursuant to the terms of the**

**outstanding Series A Warrants. The obligation to make the Reverse Stock Split cash true- up payment could impede our ability to raise additional capital and could prevent or deter a third party from acquiring us even where the acquisition could be beneficial to our investors. In the event that the conditions for suspension of the Reverse Stock Split cash true-up payment under the terms of the Series A Warrants become no longer applicable, the payment of the Reverse Stock Split cash true- up payment could have a material adverse impact on our financial condition. We continue to** incur increased-considerable legal costs as a result of operating as a public company, and our management will be required to devote substantial time to comply with public company regulations. As a public company, and particularly after we cease to be an “emerging growth company,” as defined in the JOBS Act, we will continue to incur significant legal, accounting and other expenses. In addition, the Sarbanes- Oxley Act, as well as rules promulgated by the Securities and Exchange Commission (“SEC”) and The Nasdaq Capital Market (“Nasdaq”), require us to adopt corporate governance practices applicable to U. S. public companies. Compliance with these rules and regulations will continue to increase our legal and financial compliance costs. The Sarbanes- Oxley of 2002 (“Sarbanes- Oxley”), as well as rules promulgated by the SEC and Nasdaq require us to adopt corporate governance practices applicable to U. S. public companies. Compliance with these rules and regulations will continue to increase our legal and financial compliance costs. Sarbanes- Oxley, as well as rules and regulations subsequently implemented by the SEC and Nasdaq, have imposed increased disclosure and enhanced corporate governance practices for public companies. Our efforts to continue to comply with evolving laws, regulations and standards are likely to result in increased expenses and a diversion of management’ s time and attention from revenue- generating activities to compliance activities. We may not be successful in continuing to implement these requirements and implementing them could adversely affect our business, results of operations and financial condition. In addition, if we fail to implement the requirements with respect to our internal accounting and audit functions, our ability to report our financial results on a timely and accurate basis could be impaired. Our management team has limited experience managing a public company. Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. These obligations and constituents require significant attention from our senior management and can divert their attention away from the day- to- day management of our business, which can harm our business, operating results of operations and financial condition. We are an “emerging growth company” and elect to comply with certain reduced reporting requirements applicable to emerging growth companies, which could make our securities less attractive to investors. As an “emerging growth company,” we take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes- Oxley, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our securities less attractive because we chose to rely on these exemptions. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities and the prices of our securities may be more volatile. Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7 (a) (2) (B) of the Securities Act for complying with new or revised accounting standards. We choose to avail ourselves of this extended transition period and defer adoption of certain changes in accounting standards. As described in Section 101 of the JOBS Act, the “emerging growth company” classification can be retained for up to five years following our initial public offering or until the earlier occurrence of the following: the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least \$ 1. 235 billion, or (c) in which we deemed to be a large accelerated filer, which means the market value of our common stock that is held by non- affiliates exceeded \$ 700. 0 million as of the prior June 30; or the date on which we have issued more than \$ 1. 0 billion in non- convertible debt securities during the prior three- year period. If some investors find our securities less attractive as a result of any choices to reduce future disclosure, there may be a less active market for our securities and our stock price may be more volatile. Failure to maintain effective internal control over financial reporting in accordance with Section 404 of Sarbanes- Oxley could have a material adverse effect on our business and stock price. We are required to comply with certain SEC rules that implement Sections 302 and 404 of Sarbanes- Oxley, which require management to certify financial and other information in our quarterly and annual reports and beginning with this Annual Report, provide an annual management report on the effectiveness of our internal control over financial reporting. Though we are required to disclose changes made in our internal control procedures on a quarterly basis, we take advantage of certain exceptions from reporting requirements that are available to “emerging growth companies” under the JOBS Act. For example, each independent registered public accounting firm that performs an audit for us has not been required to attest to and report on our annual assessment of our internal controls over financial reporting pursuant to Section 404 and will not be required to do so until we are no longer an “emerging growth company” as defined in the JOBS Act and a non- accelerated filer in accordance with Rule 12b- 2 under the Exchange Act. While we expect to be ready to comply with Section 404 of Sarbanes- Oxley by the applicable deadline, we cannot assure you that this will be the case. Furthermore, we may identify material weaknesses that we may be unable to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of Sarbanes- Oxley. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may be unable to conclude that we have effective internal controls over financial reporting in accordance with Section 404 of Sarbanes- Oxley. If we are unable to implement the requirements of Section 404 of Sarbanes- Oxley in a timely manner or with adequate compliance, our independent registered public accounting firm may issue an adverse opinion due to ineffective internal controls over financial reporting and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in

the reliability of our financial statements. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could have a material adverse effect on our business, prospects, results of operations, and financial condition. ~~Our management has broad discretion as to the use of the net proceeds from our initial public offering and equity and debt financings. While there have been no changes to our planned use of proceeds from our initial public offering, as disclosed in the final prospectus for our initial public offering, our management continues to have broad discretion in the application of the net proceeds. In addition, management has broad discretion in the application of the net proceeds from the 3i Note and Equity Line of Credit Financing, and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our Common Stock. Accordingly, you will have to rely upon the judgment of our management with respect to the use of these proceeds. Our management may spend a portion or all of the net proceeds from our initial public offering in ways that holders of the shares may not desire or that may not yield a significant return or any return at all. The failure by our management to apply these funds effectively could result in financial losses, and these financial losses could have a material adverse effect on our business, cause the price of our Common Stock to decline and delay the development of our products. Pending their use, we may also invest the net proceeds from our offerings in a manner that does not produce income or that loses value.~~ If our shares become subject to the penny stock rules, it would become more difficult to trade our shares. The SEC has adopted rules that regulate broker- dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$ 5. 00, other than securities registered on certain national securities exchanges or authorized for quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If we do not retain a listing on Nasdaq or another national securities exchange and if the price of our ~~Common~~ **common** ~~Stock~~ **stock** is less than \$ 5. 00, our ~~Common~~ **common** ~~Stock~~ **stock** could be deemed a penny stock. The penny stock rules require a broker- dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker- dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive: (i) the purchaser's written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our common stock, and therefore stockholders may have difficulty selling their shares.

**Risks Related to Our Capital Structure** ~~Our long-term lease and debt obligations could adversely affect our ability to raise additional capital to fund operations and limit our ability to enter into certain transactions.~~ As of December 31, ~~2023~~ **2024**, we had total liabilities of \$ 6. 6 million, of which ~~\$ 2. 5~~ **0 million is the suspended liability for the true- up payment related to the August 8 million, 2024 capital raise, \$ 799, 000** was related to operating lease liabilities, and ~~\$ 230, 000~~ **3. 2 million** was related to debt obligations. If we cannot generate sufficient cash flow from operations to service our lease and debt obligations ~~or the Reverse Stock Split cash true- up payment~~, we may need to further refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to do any of this on a timely basis or on terms satisfactory to us, or at all. Our substantial lease and debt obligations could have important consequences, including: ~~• our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes may be limited; • a portion of our cash flows from operations will be dedicated to payments on our lease and debt obligations and will not be available for other purposes, including operations, capital expenditures and future business opportunities; • we may be vulnerable in a downturn in general economic conditions or in business or may be unable to carry on capital spending that is important to our growth; • restrictive covenants in our debt documents may impose significant operating and financial restrictions on us, including our ability to pay dividends and make other restricted payments or sell our collateral (other than inventory in the ordinary course of business); • our ability to introduce new products or new technologies or exploit business opportunities may be restricted; and • we may be placed at a disadvantage compared with competitors that have proportionately less lease and debt obligations.~~ Our ~~principal stockholder continues to have substantial control over us.~~ As of March 23, 2024, John Yozamp, our Co- Founder and former Chief Executive Officer and Chief Business Development Officer, beneficially owns approximately 21. 5 % of our outstanding Common Stock, and, his brother, James Yozamp, Jr., owns approximately 7. 1 %. As a consequence, Mr. Yozamp and his affiliates, including his brother, are able to substantially influence matters requiring stockholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets, and any other significant transaction. The interests of Mr. Yozamp and / or his affiliates may not always align with our interests or the interests of our other stockholders. For instance, this concentration of ownership may have the effect of delaying or preventing a change of control otherwise favored by our other stockholders and could depress our stock price. Our Articles of Incorporation ~~provides~~ **provide** that the Nevada Eighth Judicial District Court of Clark County, Nevada shall be the exclusive forum for certain litigation that may be initiated by our stockholders, including claims under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our Articles of Incorporation provides that, subject to limited exceptions, the Nevada Eighth Judicial District Court of Clark County, Nevada shall be, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought in the name or right of the Corporation or on its behalf, (ii) any action asserting a claim for breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of Nevada Revised Statutes Chapters 78 or 92A, our Articles of incorporation or our Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of our Articles of Incorporation or Bylaws, or (v) any action asserting a claim governed by the internal affairs doctrine. Although these choice of forum provisions would not apply to suits brought to enforce any duty or liability created by the Exchange Act or rules and regulations thereunder, and suits brought to enforce the Securities Act or rules and regulations thereunder are granted concurrent jurisdiction in federal and state

courts pursuant to preemptive federal law, these choice of forum provisions may otherwise limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents. Stockholders who do bring a claim in the Nevada Eighth Judicial District Court of Clark County, Nevada could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the State of Nevada. The Nevada Eighth Judicial District Court of Clark County, Nevada may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find the choice of forum provision contained in our Articles of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition. ~~ITEM 1B-UNRESOLVED~~  
~~STAFF COMMENTS~~