

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K/A  
(Amendment No. 1)**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-41154

**SIDUS SPACE, INC.**

(Exact name of registrant as specified in charter)

<b>Delaware</b> (State or jurisdiction of Incorporation or organization)	<b>46-0628183</b> I.R.S. Employer Identification No.
<b>150 N. Sykes Creek Parkway, Suite 200 Merritt Island, FL</b> (Address of principal executive offices)	<b>32953</b> (Zip code)

**(321) 450-5633**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Class A Common stock, \$0.0001 par value	SIDU	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company  
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates based on a closing sale price of \$18.10 per share, which was the last sale price of the Class A common stock as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was \$10,732,413.

Number of Class A common shares and Class B common shares outstanding as of October 11, 2024 was 4,081,344 and 100,000, respectively.

Documents Incorporated by Reference: None.

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### **Explanatory Note**

The purpose of this Amendment No. 1 to the Annual Report on Form 10-K of Sidus Space, Inc. (the “Company”) for the fiscal year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 27, 2024 (the “Original Report” and together with this Amendment No. 1, this “Report”), is to amend Item 8, Part II of the Original Report to replace the Report of Independent Registered Public Accounting Firm issued by BF Borgers CPA PC , which relates to the consolidated financial statements of the Company for the years ended December 31, 2022 and 2023 (the “2022 and 2023 Financial Statements”) with the Report of Independent Registered Public Accounting Firm issued by Fruci & Associates II, PLLC (FnAll PCOAB ID 5525) (“Frucci”), which relates to the 2022 and 2023 Financial Statements. The Company engaged Fruci to audit the 2022 and 2023 Financial Statements which had previously been audited by Borgers because of a cease and desist order imposed on Borgers by the Securities and Exchange Commission. No changes to the 2022 and 2023 Financial Statements resulted from the Fruci audit except that the Report of Independent Registered Public Accounting Firm issued by Fruci includes a going concern opinion and a Going Concern paragraph has been added to Note 2 -Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements.

Except as described above and the inclusion of Exhibits 31.1, 31.2, 32.1 and 32.1, this Amendment No. 1 to the Original Report does not amend, update or change any other items or disclosures in the Original Report and does not purport to reflect information or events subsequent to the filing thereof.

The Company has attached to this Amended 10-K updated certifications executed as of the date of this Amended 10-K by the Principal Executive Officer and Principal Financial Officer as required by Sections 302 and 906 of the Sarbanes Oxley Act of 2002. These updated certifications are attached as Exhibits 31.1, 31.2, 32.1 and 32.2 to this Amended 10-K.

## PART II

### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

#### SIDUS SPACE, INC.

<a href="#"><u>Report of Independent Registered Public Accounting Firm</u></a> (FnAll PCOAB ID: 5525)	F-1
<a href="#"><u>Consolidated Balance Sheets at December 31, 2023 and 2022</u></a>	F-2
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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Sidus Space, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sidus Space, Inc. ("the Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

### Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has continued significant net losses and negative cash flows from operations. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### ***Revenue Recognition – Refer to Note 2 to the financial statements***

##### *Description of the Critical Audit Matter*

The Company recognizes revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company offers various mission critical hardware manufacturing and engineering services, along with satellite production and other orbital support programs.

Significant judgment is exercised by the Company in determining revenue recognition for these customer agreements, and includes the following:

- Determination of whether products and services are considered distinct performance obligations that should be accounted for separately versus together.
- The pattern of delivery (i.e., timing of when revenue is recognized) for each distinct performance obligation.
- Identification and treatment of contract terms that may impact the timing and amount of revenue recognized.

Given these factors, the related audit effort in evaluating management's judgments in determining revenue recognition for these customer agreements required a high degree of auditor judgment.

*How the Critical Audit Matter Was Addressed in the Audit*

Our principal audit procedures related to the Company's revenue recognition for these customer agreements included the following, among others:

- We evaluated management's significant accounting policies related to these customer agreements for reasonableness.
- We selected a sample of customer agreements and performed the following procedures:
  - Obtained and read contract source documents for each selection, including master agreements, and other documents that were part of the agreement.
  - Tested management's identification and treatment of contract terms.
  - Assessed the terms in the customer agreement and evaluated the appropriateness of management's application of their accounting policies, along with their use of estimates, in the determination of revenue recognition conclusions.
- We tested the mathematical accuracy of management's calculations of revenue and the associated timing of revenue recognized in the financial statements.

*Fruci & Associates II, PLLC*

Fruci & Associates II, PLLC – PCAOB ID #05525  
We have served as the Company's auditor since 2024.

Spokane, Washington  
October 11, 2024

**SIDUS SPACE, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>		
Current assets		
Cash	\$ 1,216,107	\$ 2,295,259
Accounts receivable	1,175,077	850,340
Accounts receivable - related parties	67,447	168,170
Inventory	1,217,929	583,437
Contract asset	77,124	60,932
Contract asset - related party	43,173	14,982
Prepaid and other current assets	5,405,453	3,476,748
Total current assets	<u>9,202,310</u>	<u>7,449,868</u>
Property and equipment, net	9,570,214	2,554,992
Operating lease right-of-use assets	115,573	249,937
Intangible asset	398,135	-
Other assets	64,880	42,778
<b>Total Assets</b>	<b><u>\$ 19,351,112</u></b>	<b><u>\$ 10,297,575</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable and other current liabilities	\$ 6,697,562	\$ 3,415,845
Accounts payable and accrued interest - related party	677,039	566,636
Contract liability	77,124	60,932
Contract liability - related party	43,173	14,982
Asset-based loan liability	2,587,900	502,349
Notes payable	2,017,286	1,599,150
Operating lease liability	119,272	199,158
Total current liabilities	<u>12,219,356</u>	<u>6,359,052</u>
Operating lease liability - non-current	-	63,310
<b>Total Liabilities</b>	<b><u>12,219,356</u></b>	<b><u>6,422,362</u></b>
Commitments and contingencies		
Stockholders' Equity'		
Preferred Stock: 5,000,000 shares authorized; \$0.0001 par value; no shares issued and outstanding		
Series A convertible preferred stock: 2,000 shares authorized; 372 and 0 shares issued and outstanding, respectively	-	-
Common stock: 210,000,000 authorized; \$0.0001 par value		
Class A common stock: 200,000,000 shares authorized; 983,173 and 80,227 shares issued and outstanding, respectively	98	8
Class B common stock: 10,000,000 shares authorized; 100,000 shares issued and outstanding	10	10
Additional paid-in capital	49,918,441	32,131,041
Accumulated deficit	<u>(42,786,793)</u>	<u>(28,255,846)</u>
Total Stockholders' Equity	<u>7,131,756</u>	<u>3,875,213</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$ 19,351,112</u></b>	<b><u>\$ 10,297,575</u></b>

*See auditor's report and notes to the audited financial statements*

**SIDUS SPACE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenue	\$ 5,010,565	\$ 6,250,780
Revenue - related parties	952,220	1,042,628
Total - revenue	<u>5,962,785</u>	<u>7,293,408</u>
Cost of revenue	4,321,482	5,855,275
<b>Gross profit (loss)</b>	<b>1,641,303</b>	<b>1,438,133</b>
<b>Operating expenses</b>		
Selling, general and administrative expenses	14,166,617	13,482,432
<b>Total operating expenses</b>	<b>14,166,617</b>	<b>13,482,432</b>
Net loss from operations	(12,525,314)	(12,044,299)
<b>Other income (expense)</b>		
Other income	17,950	-
Interest expense	(747,420)	(781,376)
Asset-based loan expense	(155,716)	(14,293)
Finance expense	(917,848)	-
Total other income (expense)	<u>(1,803,034)</u>	<u>(795,669)</u>
<b>Loss before income taxes</b>	<b>(14,328,348)</b>	<b>(12,839,968)</b>
Provision for income taxes	-	-
<b>Net loss</b>	<b><u>\$ (14,328,348)</u></b>	<b><u>\$ (12,839,968)</u></b>
Dividend on Series A preferred Stock	(202,599)	-
Net loss attributed to stockholders	<u><b>(14,530,947)</b></u>	<u><b>(12,839,968)</b></u>
Basic and diluted loss per common share	<u><b>\$ (23.11)</b></u>	<u><b>\$ (74.80)</b></u>
Basic and diluted weighted average number of common shares outstanding	<u><b>619,986</b></u>	<u><b>171,658</b></u>

*See auditor's report and notes to the audited financial statements*

**SIDUS SPACE, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	Series A Preferred Stock		Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
<b>Balance - December 31,</b> <b>2021</b>	-	\$ -	65,748	7	100,000	10	26,075,932	(15,415,878)	10,660,071
Class A common stock issued for cash	-	-	11,487	1	-	-	3,221,354	-	3,221,355
Class A common stock issued for service	-	-	3,000	-	-	-	1,209,000	-	1,209,000
Debt forgiveness related party	-	-	-	-	-	-	1,624,755	-	1,624,755
Net loss	-	-	-	-	-	-	-	(12,839,968)	(12,839,968)
<b>Balance - December 31,</b> <b>2022</b>	-	\$ -	80,235	\$ 8	100,000	\$ 10	\$32,131,041	\$ (28,255,846)	\$ 3,875,213
Series A preferred stock units issued	2,000	-	-	-	-	-	1,811,000	-	1,811,000
Class A common stock issued for conversion of Series A preferred stock and dividend	(1,628)	-	176,791	18	-	-	166,465	-	166,483
Class A common stock units issued	-	-	150,000	15	-	-	14,784,419	-	14,784,434
Class A common stock issued for exercise of warrants	-	-	529,940	53	-	-	3,634	-	3,687
Warrants issued for finance expense	-	-	-	-	-	-	917,848	-	917,848
Vested Board Compensation	-	-	-	-	-	-	54,350	-	54,350
Stock option expense	-	-	-	-	-	-	49,688	-	49,688
Dividend on Series A preferred Stock	-	-	-	-	-	-	-	(202,599)	(202,599)
Common stock issue for reverse split adjustment	-	-	46,207	4	-	-	(4)	-	-
Net loss	-	-	-	-	-	-	-	(14,328,348)	(14,328,348)
<b>Balance - December 31,</b> <b>2023</b>	<u>372</u>	<u>\$ -</u>	<u>983,173</u>	<u>\$ 98</u>	<u>100,000</u>	<u>\$ 10</u>	<u>\$49,918,441</u>	<u>\$ (42,786,793)</u>	<u>\$ 7,131,756</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**SIDUS SPACE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash Flows From Operating Activities:</b>		
Net loss	\$ (14,328,348)	\$ (12,839,968)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	1,021,886	1,209,000
Depreciation and amortization	217,107	319,936
Bad debt	17,871	22,500
Changes in operating assets and liabilities:		
Accounts receivable	(290,839)	(741,984)
Accounts receivable - related party	100,723	275,112
Inventory	(624,881)	(455,935)
Contract asset	(16,192)	(60,932)
Contract asset - related party	(28,191)	(14,982)
Prepaid expenses and other assets	(1,950,807)	(1,911,941)
Accounts payable and accrued liabilities	3,986,275	2,049,484
Accounts payable and accrued liabilities - related party	110,403	50,099
Contract liability	16,192	60,932
Contract liability - related party	28,191	(48,429)
Changes in operating lease assets and liabilities	(8,832)	(6,800)
Net Cash used in Operating Activities	<u>(11,749,442)</u>	<u>(12,093,908)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of property and equipment	(7,208,200)	(2,099,858)
Cash paid for asset acquisition	(483,644)	-
Net Cash used in Investing Activities	<u>(7,691,844)</u>	<u>(2,099,858)</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from issuance of common stock units	14,788,121	3,221,355
Proceeds from issuance of Series A preferred stock units	1,811,000	-
Proceeds from asset-based loan agreement	6,379,624	502,349
Repayment of asset-based loan agreement	(4,294,073)	-
Repayment of notes payable	(302,983)	-
Payment of lease liabilities	-	(148,019)
Repayment of notes payable - related party	-	(797,505)
Dividend paid	(19,555)	-
Net Cash provided by Financing Activities	<u>18,362,134</u>	<u>2,778,180</u>
Net change in cash	(1,079,152)	(11,415,586)
Cash, beginning of period	2,295,259	13,710,845
Cash, end of period	<u>\$ 1,216,107</u>	<u>\$ 2,295,259</u>
Supplemental cash flow information		
Cash paid for interest	<u>\$ 190,920</u>	<u>\$ 284,178</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash Investing and Financing transactions:		
Debt forgiveness	<u>\$ -</u>	<u>\$ 1,624,755</u>
Class A common stock issued for conversion of Series A convertible preferred stock	<u>\$ 166,483</u>	<u>\$ -</u>
Common stock issue for reverse split adjustment	<u>\$ -</u>	<u>\$ -</u>
Modification of right-of-use asset and lease liability	<u>\$ 135,235</u>	<u>\$ -</u>
Class A common stock issued for exercised cashless warrant	<u>\$ -</u>	<u>\$ -</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**SIDUS SPACE, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**Note 1. Organization and Description of Business**

***Organization***

Sidus Space Inc. (“Sidus”, “we”, “us” or the “Company”), was formed as Craig Technologies Aerospace Solutions, LLC, in the state of Florida, on July 17, 2012. On April 16, 2021, the Company filed a Certificate of Conversion to register and incorporate with the state of Delaware and on August 13, 2021 changed the company name to Sidus Space, Inc.

***Description of Business***

Founded in 2012, we are a growing U.S. commercial space company with an established manufacturing business who has been trusted to provide mission-critical space hardware to many of the top aerospace businesses for over a decade. We plan to offer on-orbit services as the space economy expands; said services are either in a developmental phase or soon to achieve flight heritage. We have strategically decided to expand our business by moving up the satellite value chain by becoming a provider of responsive and scalable on-orbit infrastructure as well as collecting Space and Earth observational data to capture larger market needs.

To address Commercial and Government customer needs and mission sets, we plan to organize into three core business lines: manufacturing services; space-infrastructure-as-a-service; and space-based data and insights. Our vertically integrated model is complementary across each line of business aiming to expand existing and unlock new potential revenue generating opportunities. Additionally, we look to further transition into a subscription-based model upon the digitization of our manufacturing process as we expand alongside our space-based focus.

***Reverse Stock Split***

On December 6, 2023, the Board approved a one-for-one hundred (1-for-100) reverse split of the Company’s issued and outstanding shares of Common Stock (the “Reverse Stock Split”). On December 19, 2023, the Company filed with the Secretary of State of the State of Delaware a certificate of amendment to its certificate of incorporation (the “Certificate of Amendment”) to effect the Reverse Stock Split. All share and per share information in these financial statements retroactively reflect this reverse stock split.

**Note 2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and are presented in US dollars. The Company uses the accrual basis of accounting and has adopted a December 31 fiscal year end.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. For the full year ended December 31, 2022, the Company has reclassified operating expenses to selling, general and administrative expenses.

***Going Concern***

For the year ended December 31, 2023 the Company had a net loss of \$ 14.3 million. For the year ended December 31, 2022, the Company had negative cash flow from operating activities of \$12.1 million. The Company plans to fund its cash flow needs through current cash on hand and future debt and/or equity financing which it may obtain through one or more public or private equity offerings, debt financings, government or other third-party funding, strategic alliances or collaboration agreements. If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate its projects and services which could adversely affect its future business prospects and its ability to continue as a going concern. While there are indicators of substantial doubt, the Company believes that its current available cash on hand plus additional sources of funding, including current customer contracts as well as the Company’s ability to raise additional capital through the Company’s issuance of Class A common stock as evidenced by its public offerings in 2024 and we believe the Company will be sufficiently funded to meet its planned expenditures and to meet the Company’s obligations for at least the one-year period following its consolidated financial statement issuance date.

***Principles of Consolidation***

The consolidated financial statements include the variable interest entity (“VIE”), Aurea Alas Limited (“Aurea”), of which we are the primary beneficiary. Aurea is a Limited company organized in the Isle of Man, which entered into a license agreement with a

third party vendor, whereby they licensed the rights to use certain available radio frequency spectrum for satellite communications. All intercompany transactions and balances have been eliminated on consolidation.

For entities determined to be VIEs, an evaluation is required to determine whether the Company is the primary beneficiary. The Company evaluates its economic interests in the entity specifically determining if the Company has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance ("the power") and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE ("the benefits"). When making the determination on whether the benefits received from an entity are significant, the Company considers the total economics of the entity, and analyzes whether the Company's share of the economics is significant. The Company utilizes qualitative factors, and, where applicable, quantitative factors, while performing the analysis.

### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Some of these judgments can be subjective and complex, and, consequently, actual results may differ from these estimates. Examples of estimates and assumptions include: for revenue recognition, determining the nature and timing of satisfaction of performance obligations,, the fair value of and/or potential impairment of property and equipment; product life cycles; useful lives of our property and equipment; allowances for doubtful accounts; the market value of, and demand for, our inventory; fair value calculation of warrant; and the potential outcome of uncertain tax positions that have been recognized in our consolidated financial statements or tax returns.

### ***Cash and Cash Equivalents***

For purposes of balance sheet presentation and reporting of cash flows, the Company considers all unrestricted demand deposits, money market funds and highly liquid debt instruments with an original maturity of less than 90 days to be cash and cash equivalents. The Company had no cash equivalents at December 31, 2023 and 2022.

Periodically, the Company may carry cash balances at financial institutions more than the federally insured limit of \$250,000 per institution. The amount in excess of the FDIC insurance as of December 31, 2023, was \$966,107. The Company has not experienced losses on these accounts and management believes, based upon the quality of the financial institutions, that the credit risk with regard to these deposits is not significant.

### ***Accounts Receivable***

Accounts receivable are stated at the amount of consideration from customers of which the Company has an unconditional right to receive plus any accrued and unpaid interest. The Company provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. The Company sells certain accounts receivable with recourse in order to accelerate the receipt of cash. Bechtel and L3 make up approximately 58% and 11% of the total respectively in FY23 and Bechtel, Teledyne and Mission Helios make up approx. 49%, 18%, and 11% in FY22.

### ***Bad Debt and Allowance for Doubtful Accounts***

Historically the Company has been able to collect all past due amounts and has not written off past due invoices, therefore there is limited historical data on the company's historical losses or expected losses at this time. In compliance with GAAP the Company has determined the following policy will be followed regarding outstanding customer invoices.

An allowance for doubtful accounts has been established to reflect the anticipated uncollectible value of the related receivable account. Review procedures have been established to provide a realistic reserve based on past collection experience and anticipated losses on the receivables.

The company will utilize the allowance method based on accounts receivable aging in order to accrue bad debt expense and the contra balance sheet account, allowance for doubtful accounts. The accounts receivable aging will be reviewed quarterly and necessary adjustments made to the allowance for doubtful accounts account balance. The Company will review their policy annually to determine if adjustments should be made based on more recent accounts receivable trends.

During the years ended December 31, 2023 and 2022, the Company recorded bad debt of \$17,871 and \$22,500, respectively. The Company's allowance for doubtful accounts balance at December 31, 2023 was \$25,370 and \$22,500 at December 31, 2022.

### ***Stock Based Compensation***

The Company accounts for stock-based compensation awards in accordance with ASC Topic 718, "Compensation – Stock Compensation." The cost of services received from employees and non-employees in exchange for awards of equity instruments is recognized in the consolidated statements of operations and comprehensive income based on the estimated fair value of those awards on the grant date and amortized on a straight-line basis over the requisite service period or vesting period. The Company records forfeitures as they occur.

Share-based payments are valued using a Black-Scholes option pricing model. The grants are amortized on a straight-line basis over the requisite service periods, which is generally the vesting period. If an award is granted, but vesting does not occur, any previously recognized compensation cost is reversed in the period related to the termination of service.

The expected option term is computed using the "simplified" method as permitted under the provisions of ASC 718-10-S99. The Company uses the simplified method to calculate expected term of share options and similar instruments as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. The share price as of the grant date was determined by current market prices for our common stock. Expected volatility is based on the historical stock price volatility of comparable companies' common stock, as our stock does not have sufficient historical trading activity. Risk free interest rates were obtained from U.S. Treasury rates for the applicable periods.

### ***Contract Assets and Contract Liabilities***

The amounts included within contract assets and contract liabilities are related to the company's long-term construction contracts. Retainage for which the company has an unconditional right to payment that is only subject to the passage of time is classified as contracts receivable. Retainage subject to conditions other than the passage of time are included in contract assets and contract liabilities on a net basis at the individual contract level. Contract assets represent revenue recognized in excess of amounts paid or payable (contracts receivable) to the company on uncompleted contracts. Contract liabilities represent the company's obligation to perform on uncompleted contracts with customers for which the company has received payment or for which contracts receivable are outstanding.

### ***Inventory***

Inventory consists of work in progress and consists of estimated revenue calculated on a percentage of completion based on direct labor and materials in relation to the total contract value. The Company does not maintain raw materials.

### ***Property and Equipment***

Property and equipment, consisting mostly of plant and machinery, motor vehicles and computer equipment, is recorded at cost reduced by accumulated depreciation and impairment, if any. Construction in progress generally involves short-term capital projects and is not depreciated until the development has reached completion and the asset has been put into service. Depreciation expense is recognized over the assets' estimated useful lives of three to ten years using the straight-line method. Major additions and improvements are capitalized as additions to the property and equipment accounts, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets, are expensed as incurred. Estimated useful lives are periodically reviewed and, when appropriate, changes are made prospectively. When certain events or changes in operating conditions occur, asset lives may be adjusted and an impairment assessment may be performed on the recoverability of the carrying amounts.

## **Long-Lived Assets**

Long-lived assets are evaluated for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate. Each impairment test is based on a comparison of the undiscounted future cash flows to the recorded value of the asset. If impairment is indicated, the asset is written down to its estimated fair value.

## **Fair Value Measurements**

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value. The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

The Company's financial instruments, including cash, accounts receivable, prepaid expense and other current assets, accounts payable and accrued liabilities, and loans payable, are carried at historical cost. At December 31, 2023 and 2022, the carrying amounts of these instruments approximated their fair values because of the short-term nature of these instruments.

## **Business Combinations**

Business combinations are recorded using the acquisition method of accounting. The purchase price of the acquisition is allocated to the tangible assets, liabilities, identifiable intangible assets acquired and non-controlling interest, if any, based on their estimated fair values as of the acquisition date. The excess of the purchase price over those fair values is recorded as goodwill. Acquisition-related expenses are expensed as incurred.

## **Intangible Assets**

Intangible assets with an indefinite life are not amortized and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Intangible assets with finite lives are initially recorded at cost and amortized on a straight-line basis over the estimated economic useful lives of the respective assets.

Acquired intangible assets from business combinations are recognized and measured at fair value at the time of acquisition. The identifiable intangible asset recognized in the Company's acquisitions is a customer list, which will be tested for impairment annually.

## **Revenue Recognition**

The Company adopted ASC 606 – Revenue from Contracts with Customers using the modified retrospective transition approach. The core principle of ASC 606 is that revenue should be recognized in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled for exchange of those goods or services. The Company's updated accounting policies and related disclosures are set forth below, including the disclosure for disaggregated revenue. The impact of adopting ASC 606 was not material to the Consolidated Financial Statements.

Revenue from the Company is recognized under Topic 606 in a manner that reasonably reflects the delivery of its services and products to customers in return for expected consideration and includes the following elements:

- executed contracts with the Company's customers that it believes are legally enforceable;
- identification of performance obligations in the respective contract;
- determination of the transaction price for each performance obligation in the respective contract;
- Allocation of the transaction price to each performance obligation; and
- recognition of revenue only when the Company satisfies each performance obligation.

These five elements, as applied to each of the Company's revenue category, is summarized below:

Revenues from fixed price contracts that are still in progress at month end are recognized on the percentage-of-completion method, measured by the percentage of total costs incurred to date to the estimated total costs for each contract. This method is used because management considers total costs to be the best available measure of progress on these contracts. Revenue from fixed price contracts and time-and-materials contracts that are completed in the month the work was started are recognized when the work is shipped. To achieve this core principle, we apply the following five steps: identify the contract with the client, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to performance obligations in the contract and recognize revenues when or as the Company satisfies a performance obligation.

Revenues from fixed price service contracts that contain provisions for milestone payments are recognized at the time of the milestone being met and payment received. This method is used because management considers that the payments are nonrefundable unless the entity fails to perform as promised. If the customer terminates the contract, the Company is entitled only to retain any progress payments received from the customer and the Company has no further rights to compensation from the customer. Even though the payments made by the customer are nonrefundable, the cumulative amount of those payments is not expected, at all times throughout the contract, to at least correspond to the amount that would be necessary to compensate the Company for performance completed to date. Accordingly, the Company accounts for the progress under the contract as a performance obligation satisfied at a point in time. To achieve this core principle, we apply the following five steps: identify the contract with the client, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to performance obligations in the contract and recognize revenues when or as the Company satisfies a performance obligation.

#### ***Cost of revenue***

Costs are recognized when incurred. Cost of revenue consists of direct labor, subcontract, materials, depreciation on machinery and equipment, and other direct costs.

#### ***Net Income (Loss) Per Share of Common Stock***

The Company has adopted ASC Topic 260, “*Earnings per Share*” which requires presentation of basic earnings per share on the face of the statements of operations for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic earnings per share computation. In the accompanying financial statements, basic loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock and potentially dilutive outstanding shares of common stock during the period to reflect the potential dilution that could occur from common stock issuable through contingent share arrangements, stock options and warrants unless the result would be antidilutive.

For the years ended December 31, 2023 and 2022, the following common stock equivalents were excluded from the computation of diluted net loss per share as the result of the computation was anti-dilutive.

	2023 Shares	2022 Shares
Warrants	232,677	-
Series A convertible preferred stock	283,512	-
Total common stock equivalents	<u>657,980</u>	<u>-</u>

### **Leases**

We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets, operating lease liabilities - current, and operating lease liabilities - noncurrent on the balance sheets. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we generally use our incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Leases with a lease term of 12 months or less at inception are not recorded on our balance sheet and are expensed on a straight-line basis over the lease term in our statement of operations.

### **Income Taxes**

The Company adopted FASB ASC 740, Income Taxes, at its inception. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. No deferred tax assets or liabilities were recognized as of December 31, 2023 or December 31, 2022.

### **Warrants**

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC 480, Distinguishing Liabilities from Equity (“ASC 480”) and ASC 815, Derivatives and Hedging (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own ordinary shares and whether the warrant holders could potentially require “net cash settlement” in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of the warrants was estimated using a Black-Scholes pricing model.

## **Recent Accounting Pronouncements**

In June 2022, the FASB issued ASU 2022-03, ASC Subtopic “Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions”. These amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments in this update are effective for public business entities for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted. The Company is currently assessing the impact of the adoption of this standard on its consolidated financial statements.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its financial statements.

### **Note 3. Variable Interest Entity**

The consolidated financial statements include Aurea Alas Limited, which is a variable interest entity of which we are the primary beneficiary, and on August 26, 2020, the Company entered into a licensing agreement with Aurea. Aurea is a Limited company organized in the Isle of Man, which entered into a license agreement with a third-party vendor, whereby they licensed the rights to use certain available radio frequency spectrum for satellite communications. The Company is responsible for 100% of the operations of Aurea and derives 100% of the net profits or losses derived from the business operations. The assets, liabilities and the operations of Aurea from the date of inception (July 20, 2020), were included in the Company’s consolidated financial statements.

Through a declaration of trust, 100% of the voting rights of Aurea’s shareholders have been transferred to the Company so that the Company has effective control over Aurea and has the power to direct the activities of Aurea that most significantly impact its economic performance. There are no restrictions on the consolidated VIE’s assets and on the settlement of its liabilities and all carrying amounts of VIE’s assets and liabilities are consolidated with the Company’s financial statements.

If facts and circumstances change such that the conclusion to consolidate the VIE has changed, the Company shall disclose the primary factors that caused the change and the effect on the Company’s financial statements in the periods when the change occurs.

As of December 31, 2023 and 2022, Aurea’s assets and liabilities are as follows:

	December 31, 2023	December 31, 2022
<b>Assets</b>		
Cash	\$ 52,492	\$ 76,517
Prepaid and other current assets	<u>13,164</u>	<u>11,394</u>
	<u><u>\$ 65,656</u></u>	<u><u>\$ 87,911</u></u>
 <b>Liability</b>		
Accounts payable and other current liabilities	<u><u>\$ 74,219</u></u>	<u><u>\$ 29,005</u></u>

For the years ended December 31, 2023 and 2022, Aurea’s net loss was \$157,467 and \$136,344 respectively.

#### Note 4. Prepaid expense and Other current assets

As of December 31, 2023 and 2022, prepaid expense and other current assets are as follows:

	December 31, 2023	December 31, 2022
Prepaid insurance	\$ 699,310	\$ 994,450
Prepaid components	1,258,965	950,679
Prepaid satellite services & licenses	3,313,706	1,367,125
Prepaid software	91,258	107,000
VAT receivable	-	-
Other current assets	42,214	57,494
	<u>\$ 5,405,453</u>	<u>\$ 3,476,748</u>

During the years ended December 31, 2023 and 2022, the Company recorded interest expense of \$26,302 and \$23,407 related to financing of our prepaid insurance policies.

#### Note 5. Inventory

As of December 31, 2023 and 2022, inventory is as follows:

	December 31, 2023	December 31, 2022
Work in Process	<u>\$ 1,217,929</u>	<u>\$ 583,437</u>

#### Note 6. Property and Equipment

At December 31, 2023 and 2022, property and equipment consisted of the following:

	December 31, 2023	December 31, 2022
Office equipment	\$ 17,061	\$ 17,061
Computer equipment	41,233	37,296
Vehicle	35,424	28,143
Software	482,127	158,212
Machinery	3,209,719	3,386,111
Leasehold improvements	397,536	372,867
R&D software	9,655	386,182
Construction in progress	8,609,902	1,497,276
	<u>12,802,657</u>	<u>5,883,148</u>
Accumulated depreciation	(3,232,443)	(3,328,156)
Property and equipment, net of accumulated depreciation	<u>\$ 9,570,214</u>	<u>\$ 2,554,992</u>

As of December 31, 2023 and 2022, construction in progress represents components to be used in the manufacturing of our satellites.

Depreciation expense of property and equipment for the years ended December 31, 2023 and 2022 is \$217,107 and \$319,936 of which \$176,321 and \$181,005 are included as components of cost of revenue, respectively.

During the years ended December 31, 2023 and 2022, the Company purchased assets of \$7,208,200 and \$2,099,858, respectively.

## Note 7. Business Acquisition

On August 18, 2023, the Company entered into an Asset Conveyance Agreement (the “Purchase Agreement”) with Exo-Space Inc., a Delaware corporation (“Exo-Space”), and certain shareholders thereof. The Purchase Agreement provided for the acquisition by the Company of substantially all of the assets of Exo-Space (the “Assets”) which includes the customer contracts and lists related to Exo-Space’s business of providing analytics services by (i) providing on-orbit data processing services, including satellite imaging intelligence services, and (ii) the development of artificial intelligence and machine learning technology and software used for the on-orbit processing of data (the “Business”) from Exo-Space. The purchase price for the Assets was approximately \$468,000 in cash.

In addition, on August 18, 2023, the Company entered into a Sale of Business Non-Competition and Non-Solicitation Agreement with Exo-Space Inc. and each of Jeremy Allam (“Allam”), Mark Lorden (“Lorden”), Marcel Lariviere (“Lariviere”) and Tate Schaar (“Schaar” and collectively, with Allam, Lorden and Lariviere, the “Sellers”) pursuant to which the Sellers agreed to keep confidential certain information related to the Business and agreed to a five (5) year non-compete and non-solicitation.

On August 21, 2023 (the “Closing Date”), the Company completed its acquisition of the Assets related to Exo-Space (the “Acquisition”). As part of the Acquisition, Jeremy Allam, Marcel Lariviere, Mark Lorden and Tate Schaar entered into employment agreements with the Company which granted non-statutory stock options to Jeremy Allam, Marcel Lariviere, Mark Lorden and Tate Schaar with respect to the following number of shares of the Company’s common stock: 1,898,502 (Allam); 949,251 (Lariviere); 711,938 (Lorden) and 395,521 (Schaar). These option awards were made outside of the Company’s 2021 Omnibus Equity Incentive Plan and are made pursuant to the NASDAQ inducement grant exception in connection with such individuals’ commencement of employment with the Company which is August 21, 2023. The option awards have an exercise price of \$0.16 which is equal to the fair market value of our stock on August 21, 2023, the date of grant of such options. The options have a five (5)-year term and shall vest in four (4) equal installments on each of the first four (4) anniversaries of the date of grant, in each case subject to the optionee continuing to provide services to the Company through the applicable vesting date. Notwithstanding the foregoing vesting conditions, no portion of the options shall be exercisable prior to the second (2<sup>nd</sup>) anniversary of the date of grant. In the event that the applicable optionee resigns from employment for any reason prior to the second (2<sup>nd</sup>) anniversary of the date of grant, the option will be immediately cancelled and terminated on the date of such resignation.

Pro forma results of operations have not been presented because the effects of the Acquisition was not material to our consolidated results of operations. Acquisition-related costs included legal fees of \$220,632 and were expensed as incurred. The following table summarizes the amounts for the business acquisition which were allocated to the fair value of aggregated net assets acquired:

Cash paid	\$ 468,663
Assets Acquired:	
Accounts receivable	\$ 51,769
Inventory	9,611
Property and equipment	9,148
Intangible asset	398,135
Total	\$ 468,663

## Note 8. Accounts payable and other current liabilities

At December 31, 2023 and 2022, accounts payable and other current liabilities consisted of the following:

	December 31, 2023	December 31, 2022
Accounts payable	\$ 4,716,964	\$ 1,483,467
Payroll liabilities	1,250,330	820,451
Credit card liability	93,826	44,650
Other payable	156,885	239,110
Dividend payable	16,566	-
Accrued interest - related party	-	-
Insurance payable	462,991	828,167
	\$ 6,697,562	\$ 3,415,845

#### Note 9. Asset-based loan

The Company is party to a recourse loan and security agreement with an unrelated lender dated November 30, 2022, whereby the lender will provide loans secured by certain accounts receivable for up to 90% of the face amount, which is paid to the Company in the form of a cash advance. The Company has a revolving line of credit for \$3 million with a loan interest rate of 15.2% annum on outstanding balances. Additionally, in the event of default the Lender at its option can increase the loan interest rate by 5% per annum for each month or partial month default on outstanding balances. Under the loan and security agreement, the Company must pay back any invoices that become uncollectable. As of December 31, 2023 and 2022, the asset-based loan was \$2,587,900 and \$502,349, respectively. For the years ended December 31, 2023 and 2022, the costs and interest incurred by the Company in connection with the loan and security agreement activities were \$155,716 and \$14,293, respectively.

#### Note 10. Contract assets and liabilities

At December 31, 2023 and 2022, contract assets and contract liabilities consisted of the following:

	December 31, 2023	December 31, 2022
<b>Contract assets</b>		
Revenue recognized in excess of amounts paid or payable (contracts receivable) to the company on uncompleted contracts (contract asset), excluding retainage	\$ -	\$ -
Retainage included in contract assets due to being conditional on something other than solely passage of time	77,124	60,932
Retainage included in contract assets due to being conditional on something other than solely passage of time – related party	43,173	14,982
<b>Total contract assets</b>	<b>\$ 120,297</b>	<b>\$ 75,914</b>
 <b>Contract liabilities</b>	 December 31, 2023	 December 31, 2022
Payments received or receivable (contracts receivable) in excess of revenue recognized on uncompleted contracts (contract liability), excluding retainage	\$ -	\$ -
Retainage included in contract liabilities due to being conditional on something other than solely passage of time	77,124	60,932
Retainage included in contract liabilities due to being conditional on something other than solely passage of time – related party	43,173	14,982
<b>Total contract liabilities</b>	<b>\$ 120,297</b>	<b>\$ 75,914</b>

## Note 11. Leases

### Operating lease

We have a noncancelable operating lease entered in November 2016 for our office facility that expires in July 2021 and has renewal options to May 2024. The monthly “Base Rent” is \$10,392 and the Base Rent is increased by 2.5% each year. In May 2023 the Company exercised its option and extended the lease to May 31, 2024.

In May 2021, we entered into a new lease agreement for our office and warehouse space that expires in May 2024. The Company shall have the option to terminate the lease after 12 months and 24 months from the commencement date. The monthly “Base Rent” is \$11,855 and the Base Rent may be increased by 2.5% each year.

We recognized total lease expense, primarily related to our operating leases, on a straight-line basis in accordance with ASC 842.

As of December 31, 2023 and 2022, the Company recorded a refundable security deposit of \$10,000 for its warehouse space and is included in other assets on the balance sheet.

The operating lease expense were as follows:

	Year Ended December 31,	
	2023	2022
Operating lease cost	\$ 353,329	\$ 338,389

Supplemental balance sheet information related to operating leases was as follows:

	December 31, 2023	December 31, 2022
Operating lease right-of-use assets at inception	\$ 1,276,515	\$ 1,119,675
Accumulated amortization	(1,160,942)	(869,738)
Total operating lease right-of-use assets	\$ 115,573	\$ 249,937
Operating lease liabilities - current	\$ 119,272	\$ 199,158
Operating lease liabilities - non-current	-	63,310
Total operating lease liabilities	\$ 119,272	\$ 262,468
Weighted-average remaining lease term — operating leases (year)	0.42	1.20
Weighted-average discount rate — operating leases	4.73%	4.86%

Future minimum lease payments under operating leases that have initial noncancelable lease terms in excess of one year at December 31, 2023 were as follows:

Year Ending December 31,	
2024	\$ 120,211
Thereafter	-
	120,211
Less: Imputed interest	(939)
Operating lease liabilities	<u>119,272</u>

## Finance lease

The Company leases machinery and office equipment under non-cancellable finance lease arrangements. The term of those capital leases is at the range from 59 months to 83 months and annual interest rate is at the range from 4% to 6%.

During the year ended December 31, 2022, the Company fully paid off the two outstanding finance leases totaling \$148,019, prior to maturity dates. As of December 31, 2023 and 2022, the Company does not have any additional financing lease commitments.

During the years ended December 31, 2023 and 2022, the Company recorded depreciation of finance lease assets of \$0 and \$49,076 and interest expense of finance lease of \$0 and \$1,891, respectively.

## **Note 12. Notes Payable**

### Decathlon Note

On December 3, 2021, we entered into a Loan Assignment and Assumption Agreement, or Loan Assignment, with Decathlon Alpha IV, L.P., or Decathlon and Craig Technical Consulting, Inc (“CTC”) pursuant to which we assumed the Decathlon Note. In connection with our assumption of the Decathlon Note, CTC reduced the principal of the Note Payable – related party by \$1.4 million for an aggregate principal balance of \$2.6 million. The Company recorded a reclassification of \$1,106,164 from Note Payable – related party to Note payable – non- current (Decathlon note) and recorded forgiveness of note payable – related party of \$293,836. (See Note 12)

Management believes that the assumption of the Decathlon Note from CTC is in our best interests because in connection therewith, Decathlon released us from a cross-collateralization agreement it was a party to with CTC for a loan of a greater amount. Also in connection with the Loan Assignment on December 3, 2021, we entered into a Revenue Loan and Security Agreement, or RLSA, with Decathlon and our CEO, Carol Craig, pursuant to which we pay interest based on a minimum rate of one (1) times the amount advanced and make monthly payments based on a percentage of our revenue calculated as an amount equal to the product of (i) all revenue for the immediately preceding month multiplied by (ii) the Applicable Revenue Percentage, defined as 4% of revenue for payments due during any month. The Decathlon Note is secured by our assets and is guaranteed by CTC and matures the earliest of: (i) December 9, 2024, (ii) immediately prior to a change of control, or (iii) upon an acceleration of the obligations due to a default under the RLSA. As a result, on December 31, 2021, the Company recorded the forgiveness of note payable-related party of \$293,836 and the reclass of \$1,106,164 from Note Payable – related party to Note Payable.

During the years ended December 31, 2023 and 2022, the Company recorded interest expense of \$721,119 and \$738,048, respectively, which included an additional accrual estimate based on the principal and accrued but unpaid interest payment due when the note matures, and made payments of \$252,983 and \$258,949, respectively. As of December 31, 2023 and 2022, the Company recorded principal amount and accrued interest of \$2,017,286 and \$1,599,150 on the balance sheet, respectively. At maturity the Company will be required to pay approximately \$2.2M representing the Decathlon Note and accrued but unpaid interest.

## **Note 13. Related Party Transactions**

### Revenue and Accounts Receivable

The Company recognized revenue of \$952,220 and \$1,042,628 for the years ended December 31, 2023 and 2022 and accounts receivable of \$67,447 and \$168,170 and contract liability of \$43,173 and \$14,982 as of December 31, 2023 and 2022, respectively, from contracts entered into by Craig Technical Consulting, Inc, a principal stockholder, and subcontracted to the Company for four customers.

### Accounts Payable

As of December 31, 2023 and 2022, the Company owed \$677,039 and \$566,636 to Craig Technical Consulting, Inc. Advances are unsecured, due on demand and non-bearing-interest.

### Note Payable – Related Party

During the year ended December 31, 2022, the Company repaid \$797,505 and the note payable and accrued interest was forgiven by Craig Technical Consulting, Inc. The Company recorded debt forgiveness of note payable and accrued interest of \$1,624,755 to additional paid in capital.

As of December 31, 2023 and 2022, the Company had note payable – related party current of \$0 and \$1,000,000 and non-current of \$0 and \$1,350,000, respectively.

#### Cost of Revenue

For the years ended December 31, 2023 and 2022, the Company recorded cost of revenue to Craig Technical Consulting, Inc. of \$588,267 and \$136,363, and general and administrative expense of \$24,363 and \$12,267, respectively.

#### Professional Service Agreements

A Professional Services Agreement, effective November 15, 2021, was made, between the Company and Craig Technical Consulting, Inc. The period of performance for this Agreement was December 1, 2021, through November 30, 2022. The agreement was amended and the term of agreement was extended to November 30, 2024.

During the year ended December 31, 2023 and 2022, the Company recorded professional services of \$106,057 and \$160,475, respectively.

#### Sublease

On August 1, 2021, the Company entered into a Sublease Agreement with its related party and a principal shareholder (“Sublandlord”), whereby the Company shall sublease certain offices, rooms and shared use of common spaces located at 150 Sykes Creek Parkway, Merritt Island, FL. The Lease is a month-to-month lease and may be terminated with 30 day’s notice to the Sublandlord. The monthly rent shall be \$4,570 from inception through January 31, 2022, \$4,707 from February 1, 2022 to January 31, 2023 and \$4,847 from February 1, 2023 to January 31, 2024. During the years ended December 31, 2023 and 2022, the Company recorded \$58,024 and \$56,349 to lease expenses.

### **Note 14. Commitments and Contingencies**

#### Litigation

The Company is currently involved in various civil litigation in the normal course of business none of which is considered material.

#### License Agreement

The consolidated financial statements include Aurea Alas Limited, which is a variable interest entity of which we are the primary beneficiary (see Note 3). On August 18, 2020, Aurea entered into a license agreement with a third-party vendor (the “Vendor”), whereby they licensed the rights to use certain available radio frequency spectrum for satellite communications. The Company shall pay an annual Reservation Fee of \$120,000 while the Company pursues up to four (4) NGSO satellite filing(s) via the Vendor. The Reservation Fee is levied on the date the filing(s) is received at the International Telecommunication Union (ITU). The Reservation Fee is payable annually at the anniversary of the date of receipt, as long as the customer retains the NGSO filing(s). The Reservation Fee payment continues to be payable until any of the frequency assignments of the NGSO filing(s) are brought into use. Upon the submission to the ITU to bring into use any of the frequency assignments of a given constellation, an annual License Fee of \$120,000 shall be paid in lieu of the Reservation Fee. On February 1, 2021, the Vendor submitted the license filing to the ITU and on April 6, 2021, the ITU published the license filing for LIZZIE IOMSAT. Payments began in February 2021. For the years ended December 31, 2023 and 2022 the Company recorded payments of \$120,000 in Other General and Administrative expenses. These are eliminated upon consolidation.

## **Note 15. Stockholder's Equity**

### Authorized Capital Stock

Effective July 3, 2023, the Company filed Amended and Restated Certificate of Incorporation to amend for authorized capital stock to authorize the Company to issue 215,000,000 shares.

The Company has authorized 5,000,000 shares of preferred stock with a par value of \$0.0001.

The Company has authorized 210,000,000 shares of common stock with a par value of \$0.0001, consisting of 200,000,000 shares of Class A Common Stock and 10,000,000 shares of Class B Common Stock. The Class B Common Stock is entitled to 10 votes for every 1 vote of the Class A Common Stock.

### Series A Convertible Preferred Stock

On October 11, 2023, the Company entered into a securities purchase agreement (the "Purchase Agreement") with certain institutional investors, pursuant to which the Company agreed to issue and sell to such investor, in a registered direct offering (the "Offering"), an aggregate of 2,000 shares of the Company's Series A convertible preferred stock, par value \$0.0001 per share and stated value of \$1,000 per share (the "Series A Preferred Stock") at an offering price of \$1,000 per share. Each share of Series A Preferred Stock is convertible into shares of the Company's Class A Common Stock at an initial conversion price of \$10.152 per share (the "Conversion Price"). The Conversion Price is subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable Conversion Price (subject to certain exceptions). The Series A Preferred Stock (and the shares of the Company's Class A common stock (the "Class A Common Stock")) underlying the Series A Preferred Stock) were offered by the Company pursuant to its shelf registration statement on Form S-3 (File No. 333-273430), which was originally filed with the Securities and Exchange Commission (the "SEC") on July 26, 2023 and declared effective by the SEC on August 14, 2023. Concurrently with the sale of the Series A Preferred Stock, pursuant to the Purchase Agreement in a concurrent private placement, for each share of Class A Common Stock issuable upon conversion of the Series A Preferred Stock purchased by the investor, such investor received from the Company an unregistered warrant (the "Warrant") to purchase one share of Class A Common Stock (the "Warrant Shares"). Each Warrant will be exercisable for one share of the Company's Class A Common Stock at an exercise price of \$10.152 per share, will be exercisable immediately upon issuance, and will have a term of five years from the date of issuance. The exercise price is subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Class A Common Stock, or securities convertible, exercisable or exchangeable for Class A Common Stock, at a price below the then-applicable exercise price (subject to certain exceptions).

During the year ended December 31, 2023, 1,628 shares of Series A convertible preferred stock and a related dividend of \$166,483 were converted into 176,791 shares of Class A common stock.

The Company had 372 and 0 shares of Series A Convertible preferred stock issued and outstanding as of December 31, 2023 and 2022, respectively.

### Class A Common Stock

The Company had 983,173 and 80,227 shares of Class A common stock issued and outstanding as of December 31, 2023 and 2022, respectively.

### *Fiscal year 2023*

On January 30, 2023, the Company offered an aggregate of up to 26,400 shares of our Class A common stock and pre-funded warrants to purchase up to an aggregate 123,600 shares of Class A common stock. In addition, the company issued 22,500 prefunded warrants to cover over-allotments. All pre-funded warrants were exercised and total issued stock in this offering was 172,500 aggregate shares of Class A common stock. The purchase price for each share of Class A common stock was \$30.0. Warrants equal to 4% of the number of securities issued by the Company in the offering were issued to the underwriter at an exercise price of 125% of the offering price per share. Gross proceeds from the offering were approximately \$5.2 million, and net proceeds of approximately \$4.6 million after underwriter expenses.

On April 20, 2023, the Company sold an aggregate of 85,720 shares of our Class A Common Stock and pre-funded warrants to purchase up to an aggregate 217,310 shares of Class A Common Stock and warrants to purchase up to 303,030 shares of Class A Common Stock. In addition, the Company sold 37,880 shares of Class A Common Stock and 37,880 of accompanying warrants to purchase shares of Class A Common Stock pursuant to the partial exercise of the underwriter's over-allotment option. The purchase price for each share of Class A Common Stock and accompanying warrant was \$33.0. Warrants equal to 3% of the number of securities issued by the Company in the offering at an exercise price of 125% of the offering price per share was issued to the underwriter. Gross proceeds from the offering were approximately \$11.2 million, and net proceeds of approximately \$10.2 million after underwriting discounts and commissions and estimated offering expenses payable by us.

During the year ended December 31, 2023, 166,530 Class A Common Stock were issued upon cashless exercise of warrants and 363,410 Class A Common Stock were issued upon exercise of pre-funded warrants of \$3,634.

#### *Fiscal year 2022*

During the year ended December 31, 2022, the Company issued 14,487 shares of common stock as follows:

- 3,000 restricted shares for consulting services valued at \$1,209,000, pursuant to the Sidus Space, Inc. 2021 Omnibus Equity Incentive Plan.
- 11,487 shares issued under the Purchase Agreement (inclusive of 904 commitment shares to the underwriter), for aggregate proceeds of \$3,596,355. The net proceeds to the Company, after deducting broker fees and issuance costs of \$375,000, were \$3,221,355.

#### Class B Common Stock

The Company had 100,000 shares of Class B common stock issued and outstanding as of December 31, 2023 and 2022.

#### Warrants

##### *January 2023 offering*

For the year ended December 31, 2023, the Company issued a total of 146,100 pre-funded warrants exercisable for a period of five years at an exercise price per share of \$30.0 in connection with the common stock sold in January 2023. These warrants were fully exercised into Class A Common stock as part of the offering previously described. In addition, the Company issued a total of 6,901 underwriter warrants exercisable 180 days after the January 30, 2023 date of the offering agreement, for a period of five years at an exercise price per share of \$37.5 in connection with the common stock sold.

##### *April 2023 offering*

For the year ended December 31, 2023, the Company issued a total of 217,310 pre-funded warrants and 340,910 warrants exercisable for a period of five years at an exercise price per share of \$33.0 in connection with the common stock sold in April 2023. During the second and third quarters of 2023, a total of 217,310 pre-funded warrants and 333,049 warrants were exercised into Class A Common stock. In addition, the Company issued a total of 10,228 underwriter warrants exercisable 180 days after the April 20, 2023 date of the offering agreement, for a period of five years at an exercise price per share of \$41.25 in connection with the common stock sold.

##### *October 2023 offering*

For the year ended December 31, 2023, the Company issued 197,006 warrants exercisable for a period of five years at an exercise price per share of \$10.152 in connection with the Series A Convertible Preferred stock sold in October 2023. In addition, the Company issued a total of 11,820 underwriter warrants exercisable any time after the October 11, 2023 date of the offering for a period of five years at an exercise price per share of \$12.69 in connection with the common stock sold.

For the year ended December 31, 2023, and 2022, the Company recognized finance expense of \$917,848 and \$0, respectively, for underwriter warrants issue for compensation of services.

The Company utilizes the Black-Scholes model to value its warrants. The Company utilized the following assumptions:

	Year ended December 31, 2023
Expected term	5 years
Expected average volatility	182 - 190%
Expected dividend yield	-
Risk-free interest rate	3.62 - 3.96%

A summary of activity of the warrants during the year ended December 31, 2023 as follows:

	Number of shares	Weighted average Exercise Price	Average Life (years)
Outstanding, December 31, 2022	-	\$ -	-
Granted	146,100	30.00	5.00
Granted	558,220	33.00	5.00
Granted	6,901	37.50	5.00
Granted	10,228	41.25	5.00
Granted	11,820	12.69	5.00
Granted	197,006	10.15	5.00
Exercised	(146,100)	30.00	-
Exercised	(550,359)	33.00	-
Expired	-	-	-
Outstanding, December 31, 2023	<u>233,816</u>	<u>\$ 13.22</u>	<u>4.73</u>
Exercisable, December 31, 2023	<u>233,816</u>	<u>\$ 0.13</u>	<u>4.73</u>

The intrinsic value of the warrants as of December 31, 2023 is \$0.

#### Stock Options

On August 21, 2023, the Company granted 39,552 options with an exercise price of \$16.0, with a term of five (5) years to exercise from the grant date, to employees of the Company. Options issued vest at 25% of shares subject to the option on each anniversary date, on August 21, 2024, 2025, 2026 and 2027.

In October 2023, the Company granted 200 options with an exercise price of \$100.0, with a term of five (5) years to exercise from the grant date, to an employee of the Company under separation agreement. Options vest at grant date.

The Company utilizes the Black-Scholes model to value its stock options. The Company utilized the following assumptions:

	Year Ended December 31, 2023
Expected term	2.50 - 3.75 years
Expected average volatility	173%
Expected dividend yield	-
Risk-free interest rate	4.46 - 5.02%

During the year ended December 31, 2023, the Company granted 39,752 options valued at \$583,580. During the year ended December 31, 2023, the Company recognized stock option expense of \$49,688 and as of December 31, 2023, \$533,892 remains unamortized. The intrinsic value of the 39,752 options outstanding as of December 31 2023, is \$0.

A summary of activity of the stock options during the year ended December 31, 2023, is as follows:

	Options Outstanding	Weighted Average Remaining life (years)	
	Number of Options	Weighted Average Exercise Price	(years)
Outstanding, December 31, 2022	-	\$ -	-
Granted	39,752	16.42	5.00
Exercised	-	-	-
Forfeited/canceled	-	-	-
Outstanding, December 31, 2023	<u>39,752</u>	<u>\$ 16.42</u>	<u>4.64</u>
Exercisable options, December 31, 2023	<u>200</u>	<u>\$ 100.00</u>	<u>4.82</u>

#### Note 16. Income tax

The Company has not made a provision for income taxes for the year ended December 31, 2023 and 2022, since the Company has the benefit of net operating losses in these periods and the Company changed from a limited liability partnership to a C corporation during 2021.

Due to uncertainties surrounding the Company's ability to generate future taxable income to realize deferred income tax assets arising as a result of net operating losses carried forward, the Company has not recorded any deferred income tax assets as of December 31, 2023. The Company has incurred a net operating loss of \$14,217,254. The net operating loss carry forwards can offset 80 percent of future taxable income and carryforward indefinitely as determined by respective tax regulating authorities. The Company's net operating loss carry forwards may be subject to annual limitations, which could eliminate, reduce or defer the utilization of the losses because of an ownership change as defined in Section 382 of the Internal Revenue Code U.S. federal tax returns are closed by statute for years through 2014. The status of state and non-U.S. tax examinations varies due to the numerous legal entities and jurisdictions in which the Company operates.

A reconciliation between expected income taxes, computed at the federal income tax rate of 21% applied to the pretax accounting loss, and our blended state income tax rate of 5.5% in 2023 and 2022, and the income tax net expense included in the consolidated statements of operations for the years ended December 31, 2023 and 2022 is as follows:

	Years Ended December 31,	
	2023	2022
Loss for the year	\$ (14,328,348)	\$ (12,839,968)
Income tax (recovery) at statutory rate	\$ (3,009,000)	\$ (2,689,782)
State income tax expense, net of federal tax effect	(788,100)	(704,467)
Permanent difference and other	-	-
Change in valuation allowance	3,797,100	3,394,249
Income tax expense per books	<u>\$ -</u>	<u>\$ -</u>

Net deferred tax assets consist of the following components as of:

	December 31, 2023	December 31, 2022
Non-operating loss carryforward	\$ 8,109,149	\$ 4,312,049
Valuation allowance	(8,109,149)	(4,312,049)
<b>Net deferred tax asset</b>	<b>\$ -</b>	<b>\$ -</b>

**Note 17. Subsequent Events**

Subsequent to December 31, 2023, 372 shares of Series A Convertible Preferred Stock and dividend payable of \$27,374 were converted into 106,748 shares of Class A common stock.

Subsequent to December 31, 2023, 418,724 warrants were exercised into shares of Class A common stock. Gross proceeds from the exercise of the warrants was \$1,631,524.

On January 29, 2024, the Company entered into a public offering of an aggregate of 1,181,900 shares of Class A Common Stock and pre-funded warrants to purchase up to an aggregate of 69,900 shares of Class A Common Stock in lieu of Shares, which have been sold pursuant to that certain Underwriting Agreement, dated January 29, 2024, by and between the Company and the Representative of the Underwriters. Gross proceeds from the offering were \$5,632,650 and net proceeds after underwriter discount, various fees and expenses was \$5,008,259.

On February 29, 2024, the Company entered into a public offering of an aggregate of 1,321,000 shares (the “Shares”) of Class A Common Stock, which have been sold pursuant to that certain Underwriting Agreement, dated February 29, 2024, by and between the Company and the Representative of the Underwriters. Gross proceeds from the offering were \$7,926,000 and net proceeds after underwriter discount, various fees and expenses was \$7,102,527.

## PART IV

### ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

#### (a) The following documents are filed as part of this report:

##### (1) Financial Statements:

	Page
Index to Consolidated Financial Statements:	F-1
Consolidated Financial Statements:	
<a href="#">Report of the Independent Registered Public Accounting Firm</a>	F-1
<a href="#">Consolidated Balance Sheets as of December 31, 2023 and 2022</a>	F-2
<a href="#">Consolidated Statements of Operations for the Years Ended December 31, 2023 and 2022</a>	F-3
<a href="#">Consolidated Statements of Stockholders' Equity for the Years ended December 31, 2023 and 2022</a>	F-4
<a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2023 and 2022</a>	F-5
<a href="#">Notes to the Consolidated Financial Statements for the Years ended December 31, 2023 and 2022</a>	F-6

The consolidated financial statements required by this Item are included beginning at page F-1.

##### (1) Financial Statement Schedules:

All financial statement schedules have been omitted because they are not applicable, not required or the information required is shown in the consolidated financial statements or the notes thereto.

#### (b) Exhibits

The following documents are included as exhibits to this report.

Exhibit No.	Title of Document
3.1	<a href="#">Amended and Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
3.2	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation dated August 24, 2021 (incorporated by reference to Exhibit 3.2 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
3.3	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation dated December 16, 2021 (incorporated by reference to Exhibit 3.3 to Form 10-K filed with the SEC on April 5, 2022)</a>
3.4	<a href="#">Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 to Form 10-K filed with the SEC on April 5, 2022)</a>
3.5	<a href="#">Certificate of Designations of Preferences and Rights of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to Form 8-K filed on October 13, 2023)</a>
3.6	<a href="#">Amendment No. 2 to Amended and Restated Bylaws of Sidus Space, Inc. (incorporated by reference to Exhibit 3.2 to Form 8-K filed on October 13, 2023)</a>
4.1	<a href="#">Description of the Registrant's Securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.2 to Form 10-K filed with the SEC on April 5, 2022)</a>
4.2	<a href="#">Form of Warrant (incorporated by reference to Exhibit 4.2 to Form S-1 filed with the SEC on March 27, 2023)</a>
4.3	<a href="#">Form of Warrant (incorporated by reference to Exhibit 4.1 to Form 8-K filed with the SEC on October 13, 2023)</a>
10.1	<a href="#">Sidus Space, Inc. 2021 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to Form 10-K filed with the SEC on April 5, 2022)</a>

10.2	<a href="#">Revenue Loan and Security Agreement dated December 1, 2021 by and among Sidus Space, Inc., Carol Craig and Decathlon Alpha IV, L.P. (incorporated by reference to Exhibit 10.2 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.3	<a href="#">Loan Assignment and Assumption Agreement dated December 1, 2021 by and between Decathlon Alpha IV, L.P., Craig Technical Consulting, Inc. and Sidus Space, Inc. (incorporated by reference to Exhibit 10.3 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.4	<a href="#">Loan Agreement dated May 1, 2021 by and between Sidus Space, Inc. and Craig Technical Consulting, Inc. (incorporated by reference to Exhibit 10.4 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.5	<a href="#">Form of Indemnification Agreement for Directors and Officers (incorporated by reference to Exhibit 10.5 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.6	<a href="#">Lease Agreement dated as of November 29, 2016 between 400 W. Central LLC and Craig Technologies Properties, LLC (assigned to Sidus Space, Inc.) (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.7	<a href="#">Lease Agreement dated as of May 21, 2021 between 400 W. Central LLC and Sidus Space, Inc. (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.8	<a href="#">Commercial Sublease Agreement dated August 1, 2021 by and between Sykes Creek Limited Partnership, Craig Technical Consulting, Inc. and Sidus Space, Inc. (incorporated by reference to Exhibit 10.8 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.9#	<a href="#">NASA Contract Award dated November 5, 2018 (incorporated by reference to Exhibit 10.9 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
10.10+	<a href="#">Employment Agreement between Sidus Space, Inc. and Carol Craig dated December 16, 2021 (incorporated by reference to Exhibit 10.10 to Form 10-K filed with the SEC on April 5, 2022)</a>
10.11	<a href="#">Debt Forgiveness Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on June 9, 2022)</a>
10.12	<a href="#">Asset Conveyance Agreement entered into as of August 18, 2023 by and among Sidus Space, Inc., Exo-Space Inc. and the equity holders of Exo-Space Inc. (incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on August 22, 2023)</a>
10.13	<a href="#">Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on October 13, 2023)</a>
10.14	<a href="#">Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.2 to Form 8-K filed with the SEC on October 13, 2023)</a>
10.15	<a href="#">First Amendment to Revenue Loan and Security Agreement dated November 16, 2023 (incorporated by reference to Exhibit 10.1 to Form 8-K filed with the SEC on December 6, 2023)</a>
14.1	<a href="#">Code of Business Conduct and Ethics (incorporated by reference to Exhibit 14.1 to Form 10-K filed with the SEC on April 5, 2022)</a>
21.1	<a href="#">List of Subsidiaries (incorporated by reference to Exhibit 21.1 to Amendment No. 1 to Form S-1 filed with the SEC on December 3, 2021)</a>
23.1	<a href="#">Consent of Fruci &amp; Associates, PLLC.</a>
24*	<a href="#">Power of Attorney (included on signature page hereto).</a>
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002</a>
32.2	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002</a>
97.1*	<a href="#">Clawback Policy</a>
101	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K/A
104	Inline XBRL for the cover page of this Annual Report on Form 10-K/A, included in the Exhibit 101 Inline XBRL Document Set

+ Management contract or compensatory plan or arrangement.

# Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit were omitted by means of marking such portions with an asterisk because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

\* Previously filed

## ITEM 16. FORM 10-K SUMMARY

None.

## SIGNATURES

Pursuant to the requirements of Section 13 and 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized on this 11th day of October 2024.

### SIDUS SPACE, INC.

*/s/ Carol Craig*

Carol Craig

Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<i>/s/ Carol Craig</i> Carol Craig	Chief Executive Officer (Principal Executive Officer)	October 11, 2024
<i>*</i> Bill White	Chief Financial Officer (Principal Financial and Accounting Officer)	October 11, 2024
<i>*</i> Leonardo Riera	Director and Chairman	October 11, 2024
<i>*</i> Dana Kilborne	Director	October 11, 2024
<i>*</i> Cole Oliver	Director	October 11, 2024
<i>*</i> Richard Berman	Director	October 11, 2024
<i>/s/ Jeffrey Shuman</i> Jeffrey Shuman	Director	October 11, 2024
Lavanson "LC" Coffey III	Director	October 11, 2024

\* By: */s/ Carol Craig*

Carol Craig

Attorney-in-Fact