

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS

PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

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

For the fiscal year ended October 31, 2024

or

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 0-13301

RF INDUSTRIES, LTD.

(Name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

88-0168936

(I.R.S. Employer Identification No.)

16868 Via Del Campo Court, Suite 200

San Diego, California

(Address of principal executive offices)

92127

(Zip Code)

(858) 549-6340

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value per share	RFIL	NASDAQ Global Market

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 the definitions 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

Emerging Growth Company

Accelerated Filer

Smaller reporting 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 in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$25.9 million.

On January 10, 2025, the Registrant had 10,544,431 outstanding shares of Common Stock, \$.01 par value.

Forward-Looking Statements:

Certain statements in this Annual Report on Form 10-K (this “Annual Report”), and other oral and written statements made by the Company from time to time are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including those that discuss strategies, goals, outlook or other non-historical matters, or projected revenues, income, returns or other financial measures. In some cases forward-looking statements can be identified by terminology such as “may,” “will,” “should,” “except,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of such terms or other comparable terminology. These forward-looking statements are subject to numerous risks and uncertainties that may cause actual results to differ materially from those contained in such statements. Among the most important of these risks and uncertainties are the ability of the Company to meet customer demand through pricing and product offerings and efficient inventory and distribution channel management, to continue to source our raw materials and products from our suppliers and manufacturers, particularly those in Asia, the market demand for our products, which market demand is dependent in large part on the state of the telecommunications industry, the Company’s ability to continue as a going concern, the Company’s ability to remain in compliance with its existing capital loan terms and financial covenants and whether plans to develop 4G and 5G networks accelerate as expected, as well as our ability to meet any such demand, the effect of future business acquisitions and dispositions, the incurrence of impairment charges, and competition.

Important factors which may cause actual results to differ materially from the forward-looking statements are described in the Section entitled “Risk Factors” in this Form 10-K, and other risks identified from time to time in the Company’s filings with the Securities and Exchange Commission. The Company assumes no obligation to update these forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in Part I, Item 1A titled “Risk Factors.” These risks include, but are not limited to, the following:

Risks Related to Our Business

- We are heavily dependent upon wireless and broadband communications providers.
- The acquisition of Microlab will affect both the Company’s liquidity and its capital resources in the near future.
- We entered into a new credit facility, which replaced a loan agreement we previously entered into to fund our acquisition of Microlab, which may expose us to additional risks, including risks associated with the inability to repay the loan on a timely basis.
- Due to the nature of our business, we need continued access to capital, which if not available to us or if not available on favorable terms, could harm our ability to operate or expand our business.
- If our third-party contract manufacturers are unable to manufacture and deliver a sufficient quantity of high-quality products on a timely and cost-efficient basis, our net revenue and profitability would be harmed and our reputation may suffer.
- Our business strategy to expand through acquisitions of other businesses could increase operating costs and expose us to additional risks.
- Global economic conditions and any related impact on our supply chain and the markets where we do business could adversely affect our results of operations.
- Our business, financial condition and results of operations could be harmed by the effects of outbreaks of COVID-19 or similar public health crises.
- Our dependence on third-party manufacturers increases the risk that we will not have an adequate supply of products or that our product costs will be higher than expected.
- An impairment in the carrying value of goodwill, trade names and other long-lived assets could negatively affect our consolidated results of operations and net worth.
- Changes in technology may reduce the demand for some of our products.
- If the manufacturers of our coaxial connectors or other products discontinue the manufacturing processes needed to meet our demands or fail to upgrade their technologies, we may face production delays.

- Our dependence upon independent distributors to sell and market our products exposes us to the risk that such distributors may decrease their sales of our products or terminate their relationship with us.
- A material portion of our sales is dependent upon a few principal customers, the loss of whom could materially negatively affect our total sales.
- Difficult conditions in the global economy may adversely affect our business and results of operations.
- Because the markets in which we compete are highly competitive, a failure to effectively compete could result in an immediate and substantial loss of market share.
- If the industries into which we sell our products experience recession or other cyclical effects impacting the budgets of our customers, our operating results could be negatively impacted.
- Because we sell our products to foreign customers, we are exposed to all of the risks associated with international sales, including foreign currency exposure.
- The inability to hire or retain certain key professionals, management and staff could adversely affect our business, financial condition and results of operations.
- We have few patent rights in the technology employed in our products, which may limit our ability to compete.
- Claims by other companies that we infringe their intellectual property could adversely affect our business
- A cyber incident could result in information theft, data corruption, operational disruption, and/or financial loss.

Risks Related to Our Common Stock

- Volatility of trading prices of our stock could result in a loss on an investment in our stock.
- Failure to maintain an effective system of internal control over financial reporting or to remediate weaknesses could materially harm our revenues, erode stockholder confidence in our ability to pursue business and report our financial results/condition, and negatively affect the trading price of our common stock.
- While we have in the past paid dividends, no assurance can be given that we will declare or pay cash dividends in the future.
- Future sales of our common stock in the public market could cause our stock price to fall.
- Provisions of our certificate of incorporation and bylaws and Nevada law may make a takeover more difficult.
- We are a “smaller reporting company” and we have elected to comply with certain reduced reporting and disclosure requirements which could make our common stock less attractive to investors.

PART I

ITEM 1. BUSINESS

General

RF Industries, Ltd. (together with subsidiaries, the “Company”, “we”, “us”, or “our”) is a national manufacturer and marketer of interconnect products and systems, including high-performance components such as RF connectors and adapters, dividers, directional couplers and filters, coaxial cables, data cables, wire harnesses, fiber optic cables, custom cabling, energy-efficient cooling systems and integrated small cell enclosures. Through our manufacturing and production facilities, we provide a wide selection of interconnect products and solutions primarily to telecommunications carriers and equipment manufacturers, wireless and network infrastructure carriers and manufacturers and to various original equipment manufacturers (“OEMs”) in several market segments. We also design, engineer, manufacture and sell energy-efficient cooling systems and integrated small cell solutions and related components.

We operate through two reporting segments: (i) the RF Connector and Cable Assembly (“RF Connector”) segment, and (ii) the Custom Cabling Manufacturing and Assembly (“Custom Cabling”) segment. The RF Connector segment primarily designs, manufactures, markets and distributes a broad range of RF connector, adapter, coupler, divider, and cable products, including coaxial passives and cable assemblies that are used in telecommunications and information technology, OEM markets and other end markets. The Custom Cabling segment designs, manufactures, markets and distributes custom copper and fiber cable assemblies, complex hybrid fiber optic and power solution cables, electromechanical wiring harnesses, wiring harnesses for a broad range of applications in a diverse set of end markets, energy-efficient cooling systems for wireless base stations and remote equipment shelters and custom designed, pole-ready 5G small cell integrated enclosures.

Recent Events

In February 2022, we entered into a loan agreement (the “BofA Loan Agreement”) providing for a revolving line of credit (the “BofA Revolving Credit Facility”) in the amount of \$3.0 million and a \$17.0 million term loan (the “BofA Term Loan”, and together with the BofA Revolving Credit Facility, the “BofA Credit Facility”) with Bank of America, N.A. (“BofA”). Amounts outstanding under the BofA Revolving Credit Facility bore interest at a rate of 2.0% plus the Bloomberg Short-Term Bank Yield Index Rate. All amounts outstanding pursuant to the BofA Credit Facility were repaid by us and the BofA Loan Agreement was terminated in connection with us entering into a new loan and security agreement (the “EBC Credit Agreement”) with Eclipse Business Capital, as administrative agent (“EBC”) on March 15, 2024. Borrowings under the BofA Credit Facility were secured by a security interest in certain assets of the Company and were subject to certain loan covenants. The BofA Credit Facility required the maintenance of certain financial covenants, including: (i) consolidated debt to EBITDA ratio not to exceed 3.00 to 1.00 (the “Debt Test”); (ii) consolidated fixed charge coverage ratio of at least 1.25 to 1.00 (the “FCCR Test”); and (iii) consolidated minimum EBITDA of at least \$600,000 for the discrete quarter ended January 31, 2022. In addition, the BofA Credit Facility contained customary affirmative and negative covenants.

On September 12, 2023, we entered into Amendment No. 1 and Waiver to the BofA Loan Agreement (“Loan Amendment No. 1”) with BofA, which, among other matters, provided for a one-time waiver of our failure to comply with (i) the Debt Test for the period ended July 31, 2023 and (ii) the FCCR Test for the period ended July 31, 2023. Loan Amendment No. 1 also waived testing for compliance with the Debt Test and FCCR Test for the quarterly periods ending October 31, 2023, January 31, 2024, April 30, 2024 and July 31, 2024. Further, pursuant to Loan Amendment No. 1, we were required to maintain (i) (a) until September 21, 2023, minimum liquidity (week-end cash balance plus availability from the BofA Revolving Credit Facility) of \$4.0 million, and (b) from September 22, 2023 and thereafter, liquidity equal to the greater of (1) \$4.0 million or (2) 80% of the liquidity that had been forecast for this date at the fourth week of the forecast and (ii) minimum EBITDA of (\$400,000), \$500,000, \$1.0 million, and \$1.0 million for the quarters ending October 31, 2023, January 31, 2024, April 30, 2024, and July 31, 2024, respectively.

On January 26, 2024, we entered into Amendment No. 2 to the BofA Loan Agreement (“Loan Amendment No. 2”) with BofA, which, among other matters, eliminated the requirement to maintain minimum EBITDA of \$500,000 for the quarter ending January 31, 2024. Under Loan Amendment No. 2, the line of credit available to the Company under the BofA Revolving Credit Facility was lowered from \$3.0 million to \$500,000. Further, Loan Amendment No. 2 required that we maintain from September 22, 2023 and thereafter, liquidity of at least \$2.0 million, rather than the greater of \$4.0 million or 80% of the forecast liquidity as was required under Loan Amendment No. 1. Under Loan Amendment No. 2, the Company would have been required to pay an additional fee equal to 1% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan if the BofA Credit Facility was not repaid in full on or before March 1, 2024. This additional fee, if applicable, would have been due on March 2, 2024. Further, Loan Amendment No. 2 required that the Company make an additional principal payment of \$1.0 million on the BofA Term Loan on March 1, 2024, in addition to the existing monthly payments due on the BofA Term Loan. In connection with Loan Amendment No. 2, we paid BofA a \$500,000 paydown on the BofA Revolving Credit Facility, thereby reducing the outstanding balance from \$1.0 million to \$500,000. Loan Amendment No. 2 was considered a modification under Accounting Standards Codification (“ASC”) 470, *Debt*.

On February 29, 2024, we entered into Amendment No. 3 to the BofA Loan Agreement (“Loan Amendment No. 3”) with BofA, which, among other matters, deferred the requirement that the Company make an additional principal payment of \$1.0 million on the BofA Term Loan, from March 1, 2024, as was required under Loan Amendment No. 2, to April 1, 2024. Further, Loan Amendment No. 3 reduced the additional fee the Company was required to pay BofA on March 2, 2024 from 1% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan as of March 1, 2024 as required under Loan Amendment No. 2, to 0.50% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan as of March 1, 2024. Additionally, Loan Amendment No. 3 required the Company to pay BofA a fee equal to 0.50% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan as of March 1, 2024, if the BofA Credit Facility was not repaid in full on or before April 2, 2024 (the “April 2024 Fee”). The April 2024 Fee, if applicable, would have been due on April 2, 2024. We were not required to pay the April 2024 Fee based on our repayment of the BofA Credit Facility prior to April 2, 2024. Under Loan Amendment No. 3, the Company was required to maintain liquidity of at least \$2.0 million and pay the remaining outstanding balance of \$500,000 on the BofA Revolving Credit Facility by March 1, 2024, as required under Loan Amendment No. 2. Loan Amendment No. 3 was considered a modification under ASC 470, *Debt*.

On March 15, 2024, we entered into the EBC Credit Agreement and used proceeds from the initial drawings under the EBC Credit Facilities (as defined below) to repay in full outstanding obligations under the BofA Loan Agreement and to pay fees, premiums, costs and expenses, including fees payable in connection with the EBC Credit Agreement. The BofA Loan Agreement was terminated upon entry into the EBC Credit Agreement and is no longer in effect.

The EBC Credit Agreement provides for (i) a senior secured revolving loan facility of up to \$15.0 million (the “EBC Revolving Loan Facility”) and (ii) a senior secured revolving credit facility of up to \$1.0 million (the “EBC Additional Line” and, together with the EBC Revolving Loan Facility, the “EBC Credit Facilities”) (with a \$3.0 million swingline loan sublimit). On June 14, 2024, the parties entered into a First Amendment to the EBC Credit Agreement (the “First Amendment”) providing for a modified EBC Additional Line of \$1.0 million through July 12, 2024, \$666,666.67 from July 13, 2024 through August 11, 2024 and \$333,333.34 from August 12, 2024 through September 10, 2024. Availability of borrowings under the EBC Credit Facilities will be based upon a borrowing base formula and periodic borrowing base certifications valuing certain of our accounts receivable and inventories, as reduced by certain reserves, if any.

In the absence of an Event of Default (as defined in the EBC Credit Agreement) or certain other events (including the inability of EBC to determine the secured overnight financing rate “SOFR”), borrowings under (a) the EBC Revolving Loan Facility accrue interest at a rate of the one-month term SOFR reference rate plus an adjustment of 0.11448% (“Adjusted Term SOFR”) plus 5.00%, and (b) the EBC Additional Line accrues interest at a rate of Adjusted Term SOFR plus 6.50%, in each case subject to a floor of 2.00% for Adjusted Term SOFR. We will be required to pay a commitment fee of 0.50% per annum for the unused portion of the EBC Revolving Loan Facility. In addition to the foregoing unused commitment fee, we are required to pay certain other administrative fees pursuant to the terms of the EBC Credit Agreement.

Borrowings under the EBC Credit Agreement are secured by a security interest in certain assets of the Company and are subject to certain loan covenants. The EBC Credit Facilities require the maintenance of certain financial covenants, including (i) Excess Availability (as defined in the EBC Credit Agreement) of at least, as of any date of determination, an amount equal to the greater of (a) \$1.0 million and (b) 10% of the Adjusted Borrowing Base (as defined in the EBC Credit Agreement), unless as of the last day of the most recent month for which the monthly financial statements and the related compliance certificate have been or are required to have been delivered to EBC, the Fixed Charge Coverage Ratio (as defined in the EBC Credit Agreement) for the 12 consecutive calendar month period then ended is greater than 1.10 to 1.00; and (ii) a capital expenditure limitation limiting the aggregate cost of all Capital Expenditure (as defined in the EBC Credit Agreement) to \$2.5 million during any fiscal year. In addition, the EBC Credit Facilities contain customary affirmative and negative covenants.

Strategy

Our overall strategy is to provide our customers with a broad selection of products, rapid and high-quality service, and custom design capabilities, all at competitive prices. Specifically, our strategy is the following:

Provide rapid and flexible design and manufacturing services. Over the past few years we have focused our organization on providing a standardized portfolio, allowing for quick-turn readily available products, while having the capabilities, flexible design and manufacturing services to customize our offering to address customer specific requirements or applications.

Competitive pricing. Our manufacturing and distribution arrangements have been designed to lower costs and enable us to offer prices on both our standard and custom manufactured products that are competitive with the marketplace, all while keeping quality as a priority.

Leverage our manufacturing and distribution capabilities and facilities. Our strategy is to operate our manufacturing and distribution locations to best provide our customers with a competitively priced, high-quality product offering delivered with a fast turnaround time. As part of this strategy, we utilize a “one-company” approach to production and distribution locations and allocate our resources based on each location’s production specialization capabilities, its proximity to the shipment destination, and other factors. Using this “one-company” approach, our goal is to leverage available capacity and shorten delivery times, while potentially providing lower shipping costs. We operate manufacturing and distribution locations in California, and in the Northeastern United States.

Integrate marketing and selling efforts. Our strategy is to integrate and cross-sell our various historical and acquired product lines. We have been integrating our marketing and sales efforts, thereby expanding the number and type of products we can offer to our existing client base, while also using this cross-sell approach to win new customers.

Broad range of immediately available products. Our strategy is to provide a high level of availability where we stock a large selection of standard products that are available for immediate delivery, including availability from multiple distributors. Additionally, we augment this “on-the-shelf” availability of several cable assembly and interconnect products with fast-turn production and assembly providing better lead times for our customers.

Targeted focus of product lines. Our strategy is to focus on passive products rather than manufacturing and selling operating or active components or products. Our product line focus remains on supporting and leveraging our distribution channels with our core passive interconnect and cable assemblies offering, while in parallel we continue to expand our portfolio of integrated solutions to address key end customer and market applications. As we have grown in recent years, we have placed a specific emphasis on expanding our product lines to offer more of the bill of materials required to deploy specific connectivity systems and applications in key markets, such as wireless and public safety communications.

Increase long-term relationships with customers. Our goal is to establish long-term relationships with the customers who have used us for specialized projects by having our solutions built into the customer’s product specifications and bills of materials. As we remain focused on maintaining and expanding our national distributor relationships through our dedicated sales and account management teams, we have invested in targeted business development efforts to assist in getting more closely aligned with the requirements of strategic end customers.

Grow through strategic and targeted acquisitions. We will continue to consider strategic acquisitions of companies or technologies that can increase our customer penetration and/or diversify our customer base, supplement our management team, expand our product offerings, and/or expand our footprint in relevant market segments.

Operations

We currently conduct operations through our six divisions with our product areas divided into two reporting segments.

RF Connector and Cable Assembly Segment

Our RF Connector segment consists of the RF Connector and Cable Assembly division (“RF Connector division”) that is based at our headquarters in San Diego, California with expansion in New Jersey through our acquisition of Microlab. The RF Connector division is primarily engaged in the design, manufacture and distribution of coaxial connector solutions for companies that design, build, operate, maintain and use a variety of connectivity/communication applications. Coaxial connector products consist primarily of connectors which, when attached to a coaxial cable, facilitate the transmission of analog and digital signals in various frequencies. Although most of the connectors are designed to fit standard cable products, the RF Connector division also sells custom connectors specifically designed and manufactured to suit its customers’ requirements. Additionally, during fiscal year 2023 the Company integrated the former C Enterprises division into the RF Connector division and San Diego headquarters. The business and assets of C Enterprises, L.P. were acquired on March 15, 2019, bringing to the Company the Corning Cable Systems CAH ConnectionsSM Gold Program member as an authorized manufacturer of fiber optic products that are backed by Corning Cable Systems’ extended warranty. This acquisition added the capabilities to design, develop and manufacture connectivity solutions including custom copper and fiber cable assemblies sold to telecommunications and data communications distributors.

The Microlab division is included in the RF Connector segment. Microlab was acquired in March 2022, and is based in Parsippany, New Jersey. Microlab designs and manufactures high-performance RF and Microwave products enabling signal distribution and deployment of in-building DAS (distributed antenna systems), wireless base stations and small cell networks. Manufacturing operations are performed at Microlab’s facilities in New Jersey.

The RF Connector division typically carries over 1,500 different types of connectors, adapters, tools, and test and measurements kits. This division’s connectors are used in thousands of different devices, products and types of equipment. Since the RF Connector division’s standard connectors can be used in a number of different products and devices, the discontinuation of one product typically does not make our connectors obsolete. Accordingly, most connectors that we carry can be marketed for a number of years. Furthermore, because our connector products are not dependent on any single line of products or any market segment, our overall sales of connectors tend to fluctuate less when there are material changes or disruption to a single product line or market segment.

Cable assembly products manufactured and sold by the RF Connector division consist of various types of coaxial cables that are attached to connectors (usually our connectors) for use in a variety of communications applications. Cable assemblies manufactured for the RF Connector division are primarily manufactured at our San Diego, California facilities using state-of-the-art automation equipment and are sold through distributors or directly to major OEM accounts. Our cable assembly portfolio consists of both standard and custom cable assemblies designed for specific customer requirements. We offer a line of cable assemblies with over 100,000 cable product combinations.

We design our connectors at our headquarters in San Diego, California, and Microlab designs and manufactures a wide selection of components and integrated subsystems for signal conditioning and distribution in the wireless infrastructure markets as well as for use in medical devices. However, most of the connectors are manufactured for us by third-party foreign manufacturers located in Asia.

Custom Cabling Manufacturing and Assembly Segment

The Custom Cabling segment currently consists of three wholly-owned subsidiaries located in the Northeastern United States. Our plan is to integrate certain aspects of the manufacturing, sales and marketing functions of these divisions so as to better address overlapping market opportunities and to more efficiently manufacture, market, and ship products to our customers.

The three divisions that comprise the current Custom Cabling segment consist of the following:

Cables Unlimited, Inc. Cables Unlimited, Inc. (“Cables Unlimited”) is a custom cable manufacturer located in Yaphank, New York, that we acquired in 2011. Cables Unlimited is a Corning Cable Systems CAH ConnectionsSM Gold Program member, authorized to manufacture fiber optic products that are backed by Corning Cable Systems’ extended warranty. Cables Unlimited designs, develops and manufactures custom connectivity solutions for the industrial, defense, telecommunications and wireless markets. The products sold by Cables Unlimited include custom and standard copper and fiber optic cable assemblies, adapters and electromechanical wiring harnesses for communications, computer, LAN, automotive fiber optic and medical equipment.

Rel-Tech Electronics, Inc. Rel-Tech Electronics, Inc. (“Rel-Tech”) was acquired in June 2015. Rel-Tech’s offices and manufacturing facilities are located in Milford, Connecticut. Rel-Tech is a designer and manufacturer of cable assemblies and wiring harnesses for blue chip industrial, oilfield, instrumentation, medical and military customers. Wire and cable assembly products include custom wire harnesses, ribbon cable, electromechanical and kitted assemblies, and networking and communications cabling.

Schroff Technologies International, Inc. Schroff Technologies International, Inc. (“Schrofftech”) was acquired in November 2019. Schrofftech is a Rhode Island based manufacturer and marketer of intelligent thermal cooling control systems, along with pole-ready wireless small cell shrouds and enclosures, custom designed for plug-and-play installation. These products are typically used by telecommunications companies across the U.S. and Canada.

Product Description

We produce a large variety of interconnect products and assemblies that are used in telecommunications and a range of other industries. The products that we offer and sell consist of the following:

Connector and Cable Products

We design, manufacture and market a broad range of coaxial connectors, adapters and cable assemblies for numerous applications in commercial, industrial, automotive, transportation, scientific, aerospace and military markets.

There are numerous applications for these connectors, some of which include digital applications, 2.5G, 3G, 4G, 5G, LTE, Wi-Fi and other broadband wireless infrastructure, GPS, mobile radio products, aircraft, video surveillance systems, cable assemblies and test equipment. Users of our connectors include telecommunications companies, circuit board manufacturers, OEMs, consumer electronics manufacturers, audio and video product manufacturers and installers, and satellite companies. We market over 1,500 types of connectors, adapters, tools, assembly, test and measurement kits, which range in price from under \$1 to over \$1,000 per unit. The kits satisfy a variety of applications including, but not limited to, lab operations, site requirements and adapter needs.

We also design and sell a variety of connector tools and hand tools that are assembled into kits used by lab and field technicians, research and development technicians and engineers. These tools are manufactured for us by outside contractors. Tool products are carried as an accommodation to our customers and have not materially contributed to our revenues.

We market and manufacture cable assemblies in a variety of sizes and combinations of RF coaxial connectors and coaxial cabling. Cabling is purchased from a variety of major unaffiliated suppliers and is assembled predominately with our connectors as complete cable assemblies. Coaxial cable assemblies have numerous applications including low PIM, Wi-Fi and wireless local area networks, wide area networks, internet systems, cellular systems including 2.5G, 3G, 4G, 5G, LTE, DAS and Small Cell installations, TV/dish network systems, test equipment, military/aerospace (mil-standard and COTS (Commercial Off-The-Shelf)) and entertainment systems. Cable assemblies are manufactured to customer requirements.

We carry thousands of separate types of connectors, most of which are available in standard sizes and configurations and that are also offered by other companies. However, we also have some proprietary products, including the CompPro product line, OptiFlex cables, and the Schrofftech telecom shelter cooling and control system products. CompPro is a patented compression technology that offers advantages for a water-tight, ruggedized connection, providing easier installation, and improved system reliability on braided cables. CompPro is used by wireless network operators, installers and distributors in North America and other parts of the world. OptiFlex is a hybrid fiber optic and DC power cabling solution that we designed and manufactured, and the Schrofftech products are energy efficient cooling/temperature control and filtration systems for use in telecom shelters, outdoor enclosures and battery/power rooms.

Passive RF Products

We design and manufacture high-performance RF and microwave high-performance components such as dividers, directional couplers and filters enabling signal distribution and deployment of in-building DAS (distributed antenna systems), wireless base stations and small cell networks.

Fiber Optic Products

Cables Unlimited is a Corning Cable Systems CAH Connections SM Gold Program member that is authorized to manufacture fiber optic products that are backed by Corning Cable Systems’ extended warranty. Through our Cables Unlimited division, we offer a broad range of interconnect products and systems that have the ability to combine radio frequency and fiber optic interconnect components, with various connectors and power cables through customized solutions for these customers. Cables Unlimited also manufactures OptiFlex, a custom designed hybrid fiber optic and DC power cabling solution manufactured for wireless service providers engaged in upgrading their cell towers. The custom hybrid cable is significantly lighter and possesses greater flexibility than cables previously used for wireless service.

The former C Enterprises, now integrated into the RF Connector division, is a Corning Cable Systems CAH Connections SM Gold Program member, authorized to manufacture fiber optic products that are backed by Corning Cable Systems' extended warranty. C Enterprises designs, develops and manufactures connectivity solutions to telecommunications and data communications distributors.

Other Cabling Products

We design, manufacture, and sell cable assemblies and wiring harnesses for industrial, oilfield, instrumentation, medical, and military customers. Wire and cable assembly products include custom wire harnesses, ribbon cable, electromechanical and kitted assemblies, networking and communications cabling. DIN and Mini DIN connector assemblies include power cord, coaxial, Mil-spec and testing.

Telecommunications Thermal Control Systems and Shrouds

We engineer, design, manufacture and sell intelligent thermal control systems for outdoor telecommunications equipment. The thermal control systems, which can be controlled offsite using networked software at the telecommunication company's own data center, maintain the interior temperature of telecommunications and other networking equipment. We also design and sell integrated shrouds and enclosures for small cell deployments that reduce installation time and improve aesthetics by eliminating the exterior cabling used with current configurations.

Foreign Sales

Net sales to foreign customers accounted for \$6,014,000 (or approximately 9%) of our net sales, and \$6,387,000 (or approximately 9%) of our net sales for the fiscal years ended October 31, 2024 and 2023, respectively. The majority of the export sales during these periods were to Canada.

We do not own, or directly operate any manufacturing operations or sales offices in foreign countries.

Distribution and Marketing

We currently sell our products through independent warehousing distributors and through our in-house marketing and sales team. Sales through independent distributors accounted for approximately 35% of our net sales for the fiscal year ended October 31, 2024. Our agreements with most of the distributors are nonexclusive and generally may be terminated by either party upon 30-60 days' written notice. The Company directly sells certain of its products to large, national telecommunication equipment and solution providers who include the Company's products in their own product offerings.

Manufacturing

We contract with outside third parties for the manufacture of a significant portion of our coaxial connectors. However, virtually all of the RF cable assemblies sold during the fiscal year ended October 31, 2024 were assembled at the International Organization for Standardization ("ISO") approved factories in San Diego, California and Parsippany, New Jersey. We procure our raw cable from manufacturers with ISO-approved factories in the United States, China, and Taiwan. The Company primarily relies on several third-party partners for the manufacture of its coaxial connectors, tools and other passive components and receives bulk cable from multiple manufacturing plants. Although we do not have manufacturing contracts with these manufacturers for our connectors and cable products, we do have long-term purchasing relationships. There are certain risks associated with our dependence on third-party manufacturers for some of our products. See "Risk Factors" below. We have in-house design engineers who create the engineering drawings for fabrication and assembly of connectors and cable assemblies. Accordingly, the third-party manufacturers are not primarily responsible for design work related to the manufacture of our connectors and cable assemblies. Although our current facilities are set up to manufacture certain lines of products, manufacturing of certain products is often shifted to other facilities to alleviate capacity limitations or to address a customer's product manufacturing schedule requirements.

We manufacture custom cable assemblies, adapters and electromechanical wiring harnesses and other products through Cables Unlimited at its Yaphank, New York manufacturing facility. The Yaphank facility is an ISO-approved factory. Cables Unlimited is a Corning Cable Systems CAH Connections SM Gold Program member, authorized to manufacture fiber optic products and assemblies that are backed by Corning Cable Systems' extended warranty.

The Milford, Connecticut facility of Rel-Tech is an ISO-approved manufacturing facility that is primarily used to manufacture cable assemblies, electromechanical assemblies, wiring harnesses and other similar products.

The products sold by Schrofftech are designed and manufactured at its ISO-approved manufacturing facility in North Kingstown, Rhode Island. Schrofftech's products are manufactured and tested in accordance with the ETL Listing standards.

Microlab designs and manufactures a wide selection of RF components and integrated subsystems in our design and manufacturing facility in Parsippany, New Jersey.

Raw Materials

Connector materials are typically made of commodity metals such as copper, brass and zinc and include small applications of precious materials, including silver and gold. The RF Connector division purchases most of its connector products from contract manufacturers located in Asia and the United States. We believe that the raw materials used in our products are readily available and that we are not currently dependent on any supplier for our raw materials. We do not currently have any long-term purchase or supply agreements with our connector suppliers. The Custom Cabling divisions obtain coaxial connectors from the RF Connector division. We believe there are numerous domestic and international suppliers of other coaxial connectors that we may utilize for any of our cabling products.

The Cables Unlimited, Rel-Tech, Schrofftech, and former C Enterprises divisions purchase largely all of the raw materials used in their products from sources located in the United States. Fiber optic cables are available from various manufacturers located throughout the United States, however, Cables Unlimited purchases most of its fiber optic cables from Corning Cables Systems LLC. The Company believes that the raw materials used by Cables Unlimited in its products are readily available and that Cables Unlimited is not currently dependent on any supplier for its raw materials except where Corning Extended Warranty certification is required. Neither Cables Unlimited nor Rel-Tech Electronics currently have any long-term purchase or supply agreements with their connector and cable suppliers.

Backlog

As of October 31, 2024, our estimated backlog of unfilled firm orders was approximately \$19.5 million compared with backlog of approximately \$16.1 million as of October 31, 2023. Orders typically fluctuate from quarter to quarter based on customer demand and general business conditions and, in particular, for project-based orders from wireless carrier customers for custom cable assemblies at our Cables Unlimited division. Since purchase orders are submitted from customers based on the estimated timing of their requirements, our ability to predict orders in future periods or trends in future periods is limited. Furthermore, purchase orders may be subject to shipment delays and to cancellation from customers, although we have not historically experienced material cancellations of purchase orders.

It is expected that a substantial portion of the backlog will be filled within the next 12 months. Most of the orders that we receive, particularly in the RF Connector segment, generally have short lead times. Therefore, backlog may not be indicative of future demand.

Human Capital

As of October 31, 2024, we employed 302 full-time employees, of whom 64 were in accounting, administration, sales and management, 225 were in manufacturing, distribution and assembly, and 13 were engineers engaged in design, engineering and research and development. The employees were based at our facilities in San Diego, California (144 employees), Yaphank, New York (60 employees), Milford, Connecticut (50 employees), Parsippany, New Jersey (42 employees), and North Kingstown, Rhode Island (6 employees). We also occasionally hire part-time employees. We believe that we have a good relationship with our employees.

Patents, Trademarks and Licenses

We own ten U.S. patents related to the CompPro Product Line that we acquired in May 2015. The CompPro Product Line utilizes a patented compression technology that offers revolutionary advantages for a water-tight connection, easier installation, and improved system reliability on braided cables. The CompPro Product Line is used by wireless network operators, installers and distributors in North America and other parts of the world.

Our Schrofftech subsidiary owns eight issued patents on its proprietary telecom shelter cooling and control system technology and its equipment room ventilation controls. Schrofftech has also filed one pending patent application related to ventilation and control equipment and controls.

The trademarks we own include the “CompPro” registered trademark associated with the compression cable product line and the “OptiFlex™” as a trademark for its hybrid cable wireless tower cable solution. Each of our subsidiaries also use various trademarks (and associated logos and trade names) in their operations, although none of these trademarks have been registered.

Because the RF Connector division carries thousands of separate types of connectors and other products, most of which are available in standard sizes and configurations and are also offered by our competitors, we do not believe that our cables and connector business or competitive position is dependent on patent protection.

Under agreements with Corning Cables Systems LLC, Cables Unlimited and C Enterprises are permitted to advertise that they are Corning Cables System CAH Connections SM Gold Program members.

With the acquisition of Microlab, three additional relevant patents were added to our portfolio regarding GPS signal repeaters, RF System Monitoring, and RF Tappers. Additional filings are also pending for RF system conditioning.

Warranties and Terms

We warrant our products to be free from defects in material and workmanship for varying warranty periods, depending upon the product. Products are generally warranted to the dealer for one year, with the dealer responsible for any additional warranty it may make. The RF Connector products are warranted for the useful life of the connectors. Although we have not experienced any significant warranty claims to date, there can be no assurance that we will not be subjected to such claims in the future.

We usually sell to customers on 30 to 60-day terms pursuant to invoices and do not generally grant extended payment terms. Generally, customers may delay, cancel, reduce, or return products after shipment subject to a restocking charge.

Under their agreements with Corning Cables Systems LLC, Cables Unlimited and C Enterprises are authorized to manufacture optic cable assemblies that are backed by Corning Cables Systems' extended warranty (referred to as the "Gold Certified Warranty").

Competition

The industries in which we operate are highly competitive, and we compete with thousands of companies that range from large multinational corporations, most of which have greater assets and financial resources, to local manufacturers. Competition is generally based on breadth of product offering, product innovation, price, quality, delivery, performance and customer service. In addition, rapid technological changes occurring in the communications industry could also lead to the entry of new competitors of all sizes against whom we may not be able to successfully compete. There can be no assurance that we will be able to compete successfully against existing or new competition, and the inability to do so may result in price reductions, reduced margins, or loss of market share, any of which could have an adverse effect on our business, financial condition and results of operations.

Government Regulations

Our products are designed to meet all known existing or proposed governmental regulations. We believe that we currently meet existing standards for approvals by government regulatory agencies for our principal products.

Our products are Restriction on Hazardous Substances ("RoHS") compliant.

Environmental Regulations

We are subject to various laws and governmental regulations concerning environmental matters and employee safety and health matters in the United States. Compliance with these federal, state, and local laws and regulations related to protection of the environment and employee safety and health has had no material effect on our business. There were no material capital expenditures for environmental projects in fiscal year 2024, and there are no material expenditures planned for such purposes in fiscal year 2025.

Investor Information

Our principal executive office is currently located at 16868 Via Del Campo Court, Suite 200, San Diego, California. RF Industries, Ltd. was incorporated in the State of Nevada on November 1, 1979, completed its initial public offering in March 1984 under the name Celltronics, Inc., and changed its name to RF Industries, Ltd. in November 1990. Unless the context requires otherwise, references to the "Company" in this report include RF Industries, Ltd. and our six wholly-owned subsidiaries, Cables Unlimited, Inc., Rel-Tech Electronics, Inc., C Enterprises, Inc., Schroff Technologies International, Inc., and Microlab/FXR LLC.

The Company's principal Internet website is located at <http://www.rfindustries.com>. The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and other information related to the Company, are available, free of charge, on that website as soon as reasonably practicable after we electronically file those documents with, or otherwise furnish them to, the Securities and Exchange Commission ("SEC"). Reports filed with the SEC are also available on the SEC's website at www.sec.gov. The Company's Internet website and the information contained therein, or connected thereto, are not and are not intended to be incorporated into this Annual Report.

ITEM 1A RISK FACTORS

Investors should carefully consider the risks described below and all other information in this Form 10-K. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business and operations.

If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline and investors may lose all or part of their investment in our common stock.

Risks Related to Our Business

We are heavily dependent upon wireless and broadband communications providers.

Most of our revenues and profitability have in recent years been generated from products that we sell, directly or through our distributors, to the wireless and broadband communications industries. In addition, we also sell connectors, cables and other products to companies that incorporate these products into their own wireless and broadband communications products. As a result, our business is heavily dependent upon the wireless and broadband markets. Demand for our products in these markets depends primarily on capital spending by operators for constructing, rebuilding or upgrading their telecommunication systems. The amount of this capital spending and, therefore, our sales and profitability, will be affected by a variety of factors affecting the telecommunications companies, including general economic conditions, consolidation within the telecommunications industry and the financial condition of operators. Although we sell many products into many different markets other than the telecommunications marketplace, because a major portion of our revenues has historically been derived from direct and indirect sales to wireless and broadband communications companies, our financial condition and results of operations are heavily influenced by the health and growth of the wireless and broadband markets, all of which is beyond our control.

The acquisition of Microlab will affect both the Company's liquidity and its capital resources in the near future.

On March 1, 2022, we purchased Microlab from Wireless Telecom Group, Inc. for \$24,250,000, subject to certain post-closing adjustments. We funded \$17 million of the cash purchase price from the funds obtained under the term loan obtained from Bank of America, N.A. (the "Credit Facility Lender") and paid the remaining amount of the cash purchase price with \$7.3 million cash on hand, thereby reducing the amount of cash available for future acquisitions, for investments in the expansion of our existing businesses and assets, or as a reserve for unanticipated financial requirements.

We entered into a new credit facility, which replaced a loan agreement we previously entered into to fund our acquisition of Microlab, which may expose us to additional risks, including risks associated with the inability to repay the loan on a timely basis.

On March 15, 2024, we entered into a new loan and security agreement (the "EBC Credit Agreement"), with Eclipse Business Capital as administrative agent ("EBC") providing for (i) a senior secured revolving loan facility of up to \$15.0 million (the "EBC Revolving Loan Facility") and (ii) a senior secured revolving credit facility of up to \$1.0 million (the "EBC Additional Line" and, together with the EBC Revolving Loan Facility, the "EBC Credit Facilities") (with a \$3.0 million swingline loan sublimit). Pursuant to the terms of the First Amendment to the EBC Credit Agreement entered into by the parties on June 14, 2024, the EBC Additional Line was modified to provide for \$1.0 million through July 12, 2024, \$666,666.67 from July 13, 2024 through August 11, 2024 and \$333,333.34 from August 12, 2024 through September 10, 2024. Availability of borrowings under the EBC Credit Facilities will be based upon a borrowing base formula and periodic borrowing base certifications valuing certain of our accounts receivable and inventories, as reduced by certain reserves, if any. We used proceeds from the initial drawings under the EBC Credit Facilities to repay in full outstanding obligations under the loan agreement (the "BofA Loan Agreement") previously entered into by us and Bank of America, N.A. ("BofA") used to fund our acquisition of Microlab. Additional proceeds from the initial drawings under the EBC Credit Facilities were used to pay fees, premiums, costs and expenses, including fees payable in connection with the EBC Credit Agreement. The BofA Loan Agreement was terminated upon entry into the EBC Credit Agreement and is no longer in effect.

In the absence of an Event of Default (as defined in the EBC Credit Agreement) or certain other events (including the inability of EBC to determine the secured overnight financing rate "SOFR"), borrowings under (a) the EBC Revolving Loan Facility accrue interest at a rate of the one-month term SOFR reference rate plus an adjustment of 0.11448% ("Adjusted Term SOFR") plus 5.00%, and (b) the EBC Additional Line accrues interest at a rate of Adjusted term SOFR plus 6.50%, in each case subject to a floor of 2.00% for Adjusted Term SOFR. We will be required to pay a commitment fee of 0.50% per annum for the unused portion of the EBC Revolving Loan Facility. In addition to the foregoing unused commitment fee, we are required to pay certain other administrative fees pursuant to the terms of the EBC Credit Agreement.

Our failure to comply with the terms of the EBC Credit Agreement could result in a default under the agreement. EBC may accelerate the payment terms of the EBC Credit Agreement upon the occurrence of certain events of default set forth therein. Any event that could require us to repay debt prior to its due date could have a material adverse impact on our financial condition and results of operations and may affect our ability to continue as a going concern. Further, any renegotiation, refinancing or additional indebtedness that we incur in the future may subject us to further covenants.

Our ability to comply with terms contained in the EBC Credit Agreement may be affected by events beyond our control, including prevailing economic, financial and industry conditions. Even if we are able to comply with all of the applicable covenants and terms, the restrictions on our ability to manage our business in our sole discretion could adversely affect our business by, among other things, limiting our ability to take advantage of financings, mergers, acquisitions and other corporate opportunities that we believe would be beneficial to us. In addition, our obligations under the EBC Credit Agreement are secured, on a first-priority basis, and such security interests could be enforced by EBC in the event of default by us.

Due to the nature of our business, we need continued access to capital, which if not available to us or if not available on favorable terms, could harm our ability to operate or expand our business.

Our business requires capital that is not financed by trade creditors when our business is expanding. If cash from available sources is insufficient or cash is used for unanticipated needs, we may require additional capital sooner than anticipated.

We believe that our existing sources of liquidity, including cash resources and cash provided by operating activities will provide sufficient resources to meet our working capital and cash requirements for at least the next twelve months; however, there can be no assurance that our cash resources will fund our operating plan for the period anticipated by us, especially if there is a material adverse impact on our business from unforeseen events or a desire to reduce our outstanding indebtedness. Any such events could have an effect on our liquidity and our ability to continue as a going concern in the future, and result in a need to raise additional capital. Alternatively, we could decide to liquidate assets, raise capital or incur additional indebtedness to fund strategic initiatives or operating activities, particularly if we pursue additional acquisitions. In the event we are required, or elect, to raise additional funds, we may be unable to do so on favorable terms, or at all, and may incur expenses in raising the additional funds and increase our interest rate exposure, and any future indebtedness could adversely affect our operating results and severely limit our ability to plan for, or react to, changes in our business or industry. Further, under the EBC Credit Agreement, we are limited by financial and other negative covenants in our credit arrangements. If we cannot raise funds on acceptable terms, we may be unable to continue as a going concern and may not be able to take advantage of future opportunities or respond to competitive pressures or unanticipated requirements. Any inability to raise additional capital when required could have an adverse effect on our business and operating results.

In the event that we are unable to pay our obligations on the EBC Credit Facilities on a timely basis, maintain the financial covenants under the EBC Credit Agreement, as amended, including the Excess Availability requirements and capital expenditure limitation, or otherwise default on our obligations under the EBC Credit Agreement, EBC will have a right to foreclose on personal property of the Company and certain of its subsidiaries.

We depend on third-party contract manufacturers for a majority of our connector manufacturing needs. If they are unable to manufacture and deliver a sufficient quantity of high-quality products on a timely and cost-efficient basis, our net revenue and profitability would be harmed and our reputation may suffer.

Substantially all of the RF Connector division's connector products are manufactured by third-party contract manufacturers. We rely on them to procure components for RF connectors and in certain cases to design, assemble and test the products on a timely and cost-efficient basis. If our contract manufacturers are unable to complete design work on a timely basis, we will experience delays in product development and our ability to compete may be harmed. In addition, because some of our manufacturers have manufacturing facilities in Taiwan and China, their ability to provide us with adequate supplies of high-quality products on a timely and cost-efficient basis is subject to a number of additional risks and uncertainties, including political, social and economic instability and factors that could impact the shipment of supplies. Further, health crises, including epidemics or pandemics, such as the COVID-19 pandemic, and government and business responses thereto, could affect our manufacturers, including by resulting in quarantines and/or closures, which could result in potential closures and disruptions to our manufacturing needs. If our manufacturers are unable to provide us with adequate supplies of high-quality products on a timely and cost-efficient basis, our operations would be disrupted and our net revenue and profitability would suffer. Moreover, if our third-party contract manufacturers cannot consistently produce high-quality products that are free of defects, we may experience a higher rate of product returns, which would also reduce our profitability and may harm our reputation and brand.

Our third-party contract manufacturers are based in Asia. Recently, our third-party contract manufacturers have been subject to various supply chain disruptions. These supply chain disruptions have slowed the delivery of products to us and have increased the price of certain materials due to the significant increase in costs of raw materials and shipping costs. Our ability to produce and timely deliver our products may be materially impacted in the future if these supply chain disruptions continue or worsen. In addition, because of the rising cost, we may be forced to increase the price of our products to our customers, or we may have to reduce our gross margins on the products that we sell. Because some of our custom manufacturing contracts call for deliveries over a longer period of time, cost increases during the term of these agreements at times cannot be passed through to our customers and therefore will have to be borne by us.

We do not currently have any long-term supply agreements with any of our contract manufacturers, and such manufacturers could stop manufacturing products for us at any time. Although we believe that we could locate alternate contract manufacturers if any of our manufacturers terminated our business, our operations could be impacted until alternate manufacturers are found.

Our business strategy to expand through acquisitions of other businesses could increase operating costs and expose us to additional risks.

As part of our plan to operate businesses that are profitable and that reflect the changing market, we from time to time sell unprofitable divisions and purchase new businesses. Such recent transactions include the purchase of our new C Enterprises and Schrofftech subsidiaries in 2019 and Microlab in 2022. In addition, we have previously disclosed that, as part of our growth strategy, we intend to make additional acquisitions of businesses in the future. While we believe that restructuring our operations and acquiring other businesses will benefit us in the longer term, these acquisitions have in the short term caused us to incur additional legal, accounting and administrative expenses, including the cost of integrating the various accounting systems of our new subsidiaries, upgrading our information systems, and the cost of managing various divisions in separate locations and states. We may in the future make additional acquisitions. Accordingly, we will be subject to numerous risks associated with the acquisition of additional businesses, including:

- diversion of management's attention;

- the effect on our financial statements of the amortization of acquired intangible assets;
- the cost associated with acquisitions and the integration of acquired operations;
- we may not be able to secure capital to finance future acquisitions to the extent additional debt or equity is needed; and
- assumption of unknown liabilities, or other unanticipated events or circumstances.

Any of these risks could materially harm our business, financial condition and results of operations. There can be no assurance that any business that we acquire will achieve anticipated revenues or operating results.

In addition to the normal risks associated with purchasing a new business and operating at a new location, the Company's acquisition of Microlab in 2022 reduced our cash on hand by over \$7.3 million and we took on \$17 million of indebtedness and related financial covenants under the BofA Term Loan. In March 2024, we entered into the EBC Credit Agreement, which replaced the BofA Term Loan. The new credit facility requires the maintenance of certain financial covenants, including Excess Availability requirements and capital expenditure limitations. A breach of any of the covenants could result in a default under the credit facility. Upon the occurrence of an event of default under the credit facility, the commercial bank could terminate all commitments to extend further credit and elect to declare amounts outstanding thereunder to be immediately due and payable. The credit facility is secured by a lien on substantially all personal property of the Company and certain of its subsidiaries.

Global economic conditions and any related impact on our supply chain and the markets where we do business could adversely affect our results of operations.

The uncertain state of the global economy (including the current conflict between Russia and Ukraine and related economic and other retaliatory measures taken by the United States, European Union and others, and more recently between Israel and Hamas) continues to impact businesses around the world. Deteriorating economic conditions or financial uncertainty in any of the markets in which we sell our products could reduce business confidence and adversely impact spending patterns, and thereby could adversely affect our sales and results of operations. In challenging and uncertain economic environments such as the current one, we cannot predict whether or when such circumstances may improve or worsen, or what impact, if any, such circumstances could have on our business, financial condition and results of operations, or on the price of our common stock.

Recent inflationary pressures have increased the cost of energy and raw materials and may adversely affect our results of operations. If inflation continues to rise and further impact the cost of energy and raw materials, we may not be able to offset cost increases to our products through price adjustments without negatively impacting consumer demand, which could adversely affect our sales and results of operations.

Our business, financial condition and results of operations could be harmed by the effects of outbreaks of COVID-19 or similar public health crises.

We are subject to risks associated with public health threats, including outbreaks associated with COVID-19 and its variants, which have had and may continue to have an adverse impact on certain aspects of our business. While most countries have removed or reduced the restrictions initially implemented in response to COVID-19, the extent to which the COVID-19 pandemic or another public health crisis impact our business, results of operations, and financial condition will depend on future developments which are highly uncertain and are difficult to predict. These developments include, but are not limited to, future resurgences of the virus and its variants, actions taken to contain the virus or address its impact, the timing, distribution, and efficacy of vaccines and other treatments, and the imposition of government lockdowns, quarantine and physical distancing requirements.

Our dependence on third-party manufacturers increases the risk that we will not have an adequate supply of products or that our product costs will be higher than expected.

The risks associated with our dependence upon third parties which develop and manufacture and assemble the Company's products include:

- reduced control over delivery schedules and quality;
- risks of inadequate manufacturing yields and excessive costs;
- the potential lack of adequate capacity during periods of excess demand; and
- potential increases in prices due to raw material and/or labor costs.

These risks may lead to increased costs or delay product delivery, which would harm our profitability and customer relationships.

An impairment in the carrying value of goodwill, trade names and other long-lived assets could negatively affect our consolidated results of operations and net worth.

Goodwill and indefinite-lived intangible assets, such as trade names, are recorded at fair value at the time of acquisition and are not amortized, but are reviewed for impairment annually or more frequently if impairment indicators arise. In evaluating the potential for impairment of goodwill and trade names, we make assumptions regarding future operating performance, business trends and market and economic conditions. There are inherent uncertainties related to these factors and in applying these factors to the assessment of goodwill and trade name recoverability. Goodwill reviews are prepared using estimates of fair value based on the estimated present value of future discounted cash flows. We could be required to evaluate the recoverability of goodwill or trade names prior to the annual assessment upon unexpected significant declines in operating results, the divestiture of a significant component of our business or other factors.

No assurance can be given that events or circumstances will not change regarding the carrying value of goodwill of the Cables Unlimited, Microlab, Rel-Tech, C-Enterprises and Schrofftech subsidiaries or the CompPro product line. Should we in the future determine that the carrying value of the goodwill associated with some or all of these assets no longer is recoverable, we will have to record additional impairment losses. In the event that we have to record material impairment charges on the Cables Unlimited, Microlab, Rel-Tech, C-Enterprises or Schrofftech subsidiaries or the CompPro product line, such future charges could materially reduce future earnings, which would negatively affect our stock price.

Changes in technology may reduce the demand for some of our products.

The wireless and telecommunications industry is rapidly changing. Changes in the product demands by telecommunications and other infrastructure companies may make certain of our current products obsolete. Accordingly, we must quickly and efficiently react to technological developments and provide new products to meet the shifting demands of our customers. Our failure to successfully introduce new or enhanced products on a timely and cost-competitive basis could have a material adverse effect on the results of our operations and financial condition.

If the manufacturers of our coaxial connectors or other products discontinue the manufacturing processes needed to meet our demands or fail to upgrade their technologies, we may face production delays.

Our coaxial connector and other product requirements typically represent a small portion of the total production of the third-party manufacturers. As a result, we are subject to the risk that a third-party manufacturer will cease production of some of our products or fail to continue to advance the process design technologies on which the manufacturing of our products are based. Each of these events could increase our costs or harm our ability to deliver products on time or develop new products.

Our dependence upon independent distributors to sell and market our products exposes us to the risk that such distributors may decrease their sales of our products or terminate their relationship with us.

Our sales efforts are primarily effected through independent distributors. Although we have entered into written agreements with most of the distributors, the agreements are nonexclusive and generally may be terminated by either party upon 30-60 days' written notice. Our distributors are not within our control, are not obligated to purchase products from us, and may also sell other lines of products. There can be no assurance that these distributors will continue their current relationships with us or that they will not give higher priority to the sale of other products, which could include products of competitors. A reduction in sales efforts or discontinuance of sales of our products by our distributors would lead to reduced sales and could materially adversely affect our financial condition, results of operations and business. Selling through indirect channels such as distributors may limit our contact with our ultimate customers and our ability to assure customer satisfaction.

A material portion of our sales is dependent upon a few principal customers, the loss of whom could materially negatively affect our total sales.

We generate much of our revenue from a limited number of customers. For the year ended October 31, 2024, a wireless carrier customer and a distributor customer both accounted for less than 10% of total sales, and approximately 15% and 10% of the total net accounts receivable balance, respectively. For the year ended October 31, 2023, a different wireless carrier customer accounted for approximately 10% of total sales and had no accounts receivable. The same distributor customer accounted for less than 10% of sales and approximately 10% of total net accounts receivable, while another distributor customer accounted for approximately 10% of total sales and for 11% of the total net accounts receivable balance. Although the distributors have been on-going major customers of the Company and the wireless carrier is a newer customer to the Company, the written agreements with these customers do not have any minimum purchase obligations and they could stop buying our products at any time and for any reason. A reduction, delay, or cancellation of orders from these customers or the loss of these customers could significantly reduce our future revenues and profits. Adverse events affecting our principal customers could also negatively affect our ability to retain their business and obtain new orders, which could adversely affect our revenue and results of operations.

Difficult conditions in the global economy may adversely affect our business and results of operations.

A prolonged economic downturn, both in the U.S. and worldwide, could lead to lower sales or reduced sales growth, reduced prices, lower gross margins, and increased bad debt risks, all of which could adversely affect our results of operations, financial condition and cash flows. Slowing economic activity, particularly in the telecommunication and data communication and wireless communications industries that represent our largest target market, may adversely impact the demand for our products. If the current economic condition in the U.S. deteriorates, our results could be adversely affected as demand for wireless products lessens. There could also be a number of other adverse follow-on effects on our business from a deterioration of economic conditions or from a credit crisis, including insolvency of certain key distributors, key suppliers, contract manufacturers and customers.

Because the markets in which we compete are highly competitive, a failure to effectively compete could result in an immediate and substantial loss of market share.

The markets in which we operate are highly competitive and we expect that competition will increase in these markets. In particular, the wireless and telecommunications markets in which most of our products are sold are intensely competitive. A failure to effectively compete in these markets could result in an immediate and substantial loss of revenues and market share. Because most of our sales are derived from products that are neither proprietary nor can be used to distinguish us from our competitors, our ability to compete successfully in these markets depends on a number of factors, including:

- product quality;
- reliability;
- customer support;
- time-to-market;
- price;
- market acceptance of competitors' products; and
- general economic conditions.

Our revenues may suffer if we are not able to effectively satisfy our customers in each of the foregoing ways. In addition, our competitors or customers may offer enhancements to their existing products or offer new products based on new technologies, industry standards or customer requirements that have the potential to replace or provide lower cost or higher performance alternatives to our products. The introduction of enhancements or new products by our competitors could render our existing and future products obsolete or unmarketable.

Many of our competitors have significantly greater financial and other resources. In certain circumstances, our customers or potential customers have internal or may in the future institute manufacturing capabilities with which we may compete.

If the industries into which we sell our products experience recession or other cyclical effects impacting the budgets of our customers, our operating results could be negatively impacted.

The primary customers for our connector and cable products are in the wireless communications industries. Any significant downturn in our customers' markets, in particular, or in general economic conditions which result in the reduction of budgets would likely result in a reduction in demand for our products and services and could harm our business. Historically, the communications industry has been cyclical, affected by both economic conditions and industry-specific cycles. Depressed general economic conditions and cyclical downturns in the communications industry have each had an adverse effect on sales of communications equipment, OEMs and their suppliers, including us. No assurance can be given that the wireless communications industry will not experience a material downturn in the near future. Any cyclical downturn in the communications industry could have a material adverse effect on us.

Because we sell our products to foreign customers, we are exposed to risks associated with international sales, including foreign currency exposure.

Sales to customers located outside the United States, either directly or through U.S. and foreign distributors, accounted for approximately 9% and 9% of our net sales during the years ended October 31, 2024 and 2023, respectively. International revenues are subject to a number of risks, including:

- longer accounts receivable payment cycles;
- difficulty in enforcing agreements and in collecting accounts receivable;
- tariffs and other restrictions on foreign trade;
- economic and political instability; and the
- burdens of complying with a wide variety of foreign laws.

Our foreign sales are also affected by general economic conditions in international markets. A prolonged economic downturn in our foreign markets could have an adverse effect on our business. There can be no assurance that the factors described above will not have an adverse material effect on our future international revenues and, consequently, on our financial condition, results of operations and business.

Since sales made to foreign customers have historically been in U.S. dollars, previously we have not been exposed to the risks of foreign currency fluctuations. However, with the acquisition of Microlab, sales made to certain foreign customers were denominated in the currencies of the countries where sales are made and for the fiscal years ended October 31, 2024 and 2023, we recognized \$33,000 in foreign currency exchange gain and \$0.1 million in foreign currency exchange gain at time of collection, respectively.

The inability to hire or retain certain key professionals, management and staff could adversely affect our business, financial condition and results of operations.

Our future success depends largely upon the continued service of our executive officers and other key management and technical personnel, and on our ability to continue to identify, attract, retain and motivate them. However, other than the employment agreement we have entered into with Mr. Dawson, the Company's Chief Executive Officer, we currently do not have any other written employment agreements with our executive officers and managers. The market for employees in our industry is extremely competitive and the cost for new employees may exceed the cost of existing employees. The loss of key management and technical personnel could have an adverse effect on our business, financial position and results of operations.

We have few patent rights in the technology employed in our products, which may limit our ability to compete.

We own patents related to the CompPro proprietary product line, the Schrofftech telecom shelter cooling products and control systems, and patents recently acquired from Microlab relating to GPS signal repeaters as well as RF broadband non directional tap couplers. We have additional filings pending for RF system monitoring and GPS systems. Other than these existing and prospective patents, we do not hold any other United States or foreign patents. Historically, we have not sought to protect our rights in the technology that we develop or that our third-party contract manufacturers develop for us by means of the patent laws, and as a result, competitors can and do sell most of the same products as us, and we have not tried to prevent or restrict such competition.

We may determine that we need to litigate or arbitrate to enforce our contract and intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights of others. As a result of any such litigation or arbitration, we could lose our ability to enforce one or more patents or other intellectual property rights. Any action we take to enforce our contract or intellectual property rights could be costly and could absorb significant management time and attention, which, in turn, could negatively impact our results of operations and cash flows. Further, even a positive resolution to our enforcement efforts may take time to conclude, which may reduce our revenues and cash resources available for other purposes, such as research and development, in the periods prior to conclusion.

Claims by other companies that we infringe their intellectual property could adversely affect our business

Companies may assert patent, copyright or other intellectual property claims against our products or products using our technologies or other technologies used in our industry, which claims could result in our involvement in litigation. We may not prevail in such litigation given, among other factors, the complex technical issues and inherent uncertainties in intellectual property litigation. If any of our products were found to infringe another company's intellectual property, we could be subject to an injunction or be required to redesign our products, or to license such intellectual property or pay damages or other compensation to such other company (any of which could be costly). If we are unable to redesign our products, license such intellectual property used in our products or otherwise distribute our products (e.g., through a licensed supplier), we could be prohibited from making and selling our products.

Similarly, our suppliers could be found to infringe another company's intellectual property, and such suppliers could then be enjoined from providing products or services to us.

A cyber incident could result in information theft, data corruption, operational disruption, and/or financial loss.

Businesses have become increasingly dependent on digital technologies to conduct day-to-day operations. Additionally, we may be exposed to increased cybersecurity risks as a result of remote working requirements imposed on us as a result of the COVID-19 pandemic. At the same time, cyber incidents, including deliberate attacks or unintentional events, have increased. A cyberattack could include gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption or result in denial of service on websites. We depend on digital technology, including information systems and related infrastructure, to process and record financial and operating data, and communicate with our employees and business partners. Our technologies, systems, networks, and those of our business partners may become the target of cyberattacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of our business operations. Although to date we have not experienced any material losses relating to cyberattacks, there can be no assurance that we will not suffer such losses in the future. Cyberattacks are increasing in their frequency, sophistication and intensity. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance its protective measures or to investigate and remediate any information security vulnerabilities. In addition, our liability insurance may not be sufficient in type or amount to cover us against claims related to security breaches, cyberattacks and other related breaches.

Risks Related to Our Common Stock

Volatility of trading prices of our stock could result in a loss on an investment in our stock.

As a company with a relatively small public float, we may experience greater stock price volatility, price run-ups, lower trading volume and less liquidity than large-capitalization companies. The market price of our common stock has varied greatly, and the trading volume of our common stock has historically fluctuated greatly as well. These fluctuations often occur independently of our performance or any of our announcements. Factors that may result in such fluctuations include:

- any shortfall in revenues or net income from revenues or net income expected by securities analysts, or a net loss in our quarterly or annual operations;
- fluctuations in our financial results or the results of other communications-related companies, including those of our direct competitors;
- general conditions in the connector and communications industries;
- changes in our revenue growth rates or the growth rates of our competitors;
- sales of large blocks of our common stock; and
- conditions in the financial markets in general.

In addition, the stock market may, from time to time, experience extreme price and volume fluctuations, which may be unrelated to the operating performance of any specific company. Accordingly, the market prices of our common stock may be expected to experience significant fluctuations in the future.

Failure to maintain an effective system of internal control over financial reporting or to remediate weaknesses could materially harm our revenues, erode stockholder confidence in our ability to pursue business and report our financial results/condition, and negatively affect the trading price of our common stock.

As a public reporting company, we are required to establish and maintain effective internal control over financial reporting. Failure to establish such internal control, or any failure of such internal control once established, could adversely impact our public disclosures regarding our business, financial condition or results of operations. Any failure of our internal control over financial reporting could also prevent us from maintaining accurate accounting records and discovering accounting errors and financial frauds.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require annual assessment of our internal control over financial reporting. The standards that must be met for management to assess the internal control over financial reporting as effective are complex, and require significant documentation, testing and possible remediation to meet the detailed standards. Any assessment by management that there are weaknesses in our internal control over financial reporting may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in the internal controls over financial reporting (including those weaknesses identified in periodic reports), or disclosure of management's assessment of the internal controls over financial reporting may have an adverse impact on the price of our common stock.

As of October 31, 2024 and 2023, we determined that our internal control over financial reporting was effective. However, no assurance can be given that there will not be failures in our internal controls in future periods.

While we have in the past paid dividends, no assurance can be given that we will declare or pay cash dividends in the future.

During fiscal 2024, we did not make any dividend distributions to our stockholders. Dividends are declared and paid at the discretion of the Board of Directors subject to applicable laws, and depend on a number of factors, including our financial condition, results of operations, capital requirements, plans for future acquisitions, contractual restrictions, general business conditions and other factors that our Board of Directors may deem relevant. Therefore, even if our operations return to their prior level of profitability, any decision to pay dividends in the future will depend on various other factors that the Board may consider relevant. Accordingly, no assurance can be given that we will once again pay dividends in the future. If we do not pay a cash dividend, our stockholders will not realize a return on their investment in the common stock except to the extent of any appreciation in the value of the common stock.

Future sales of our common stock in the public market could cause our stock price to fall.

As a smaller capitalized company, the average trading volume of our shares of common stock is relatively small. As a result, sales of a significant number of shares, or the perception that significant sales could occur, could result in a decline in our stock price. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of October 31, 2024, we had 10,544,431 shares of common stock outstanding. In addition, we had outstanding options for the purchase of 874,816 shares of common stock, the exercise of which would increase the number of common stock outstanding. The issuance and subsequent sale of the shares underlying these stock options could depress the trading price of our common stock. As of October 31, 2024, we also had 1,299,269 shares available for future grant as stock options or restricted shares, the issuance and sale of which could also impact our stock price.

Provisions of our certificate of incorporation and bylaws and Nevada law may make a takeover more difficult.

There are provisions in our basic corporate documents and under Nevada law that could discourage, delay or prevent a change in control, even if a change in control may be regarded as beneficial to some or all of our stockholders.

We are a “smaller reporting company” and we have elected to comply with certain reduced reporting and disclosure requirements which could make our common stock less attractive to investors.

We are a “smaller reporting company,” as defined in the Regulation S-K of the Securities Act of 1933, as amended, which allows us to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not smaller reporting companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, and (2) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. In addition, we are only required to provide two years of audited financial statements in our SEC reports. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until we are no longer a “smaller reporting company”. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal controls in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

The Company has adopted policies and implemented certain controls and procedures that allow its management to assess, identify and manage material risks from cybersecurity threats and for its Board of Directors, through its Audit Committee, to actively oversee the strategic direction, objectives, and effectiveness of the Company’s cybersecurity risk management framework.

The Company’s processes are integrated into its overall enterprise risk management program and compliments the Company’s enterprise-wide risk assessment architecture, as implemented by the Company’s management and as overseen by the Company’s Board of Directors through its Audit Committee. The Company has in the past, and may continue to do so in the future, engage third-party consultants, to review and assess the Company’s information technology and security.

The Company seeks to address cybersecurity risks through a cross-functional approach that is focused on preserving the confidentiality, security, and availability of the information that the Company collects and stores by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

To identify and assess material risks from cybersecurity threats, we follow best practices in routine network and endpoint auditing, vulnerability assessments, penetration testing, and other forms of security auditing. We continuously monitor endpoint activity and network traffic for unusual or prohibited behavior to prevent, identify, and contain malicious actions.

We have developed incident response plans by using the information gained through testing and monitoring to manage any identified vulnerabilities and further improve our cybersecurity preparedness and response infrastructure. Such plans set forth the actions to be taken in responding to and recovering from cybersecurity incidents, which include triage, assessing the severity of incidents, escalation protocols, containment of incidents, investigation of incidents, and remediation. We also regularly perform phishing tests of our employees and provide annual privacy and security training for all employees. Our security training incorporates awareness of cyber threats including but not limited to malware, ransomware, and social engineering attacks, password hygiene and incident reporting processes.

We review our cybersecurity risk framework and related policies annually with senior management to help identify areas for continued focus and improvement. We also engage third party experts to review and assess our processes to ensure they are robust and consistent with the current security landscape. The data center where we host our critical data is SOC II compliant.

The Company has also implemented processes to identify, monitor and address material risks from cybersecurity threats associated with our use of third-party service providers, including those in our supply chain or who have access to our systems, data or facilities that house such systems or data by discussing issues to be addressed and recommending securities measures to be improved where possible.

Although in the periods reported we have not experienced any material cybersecurity incidents and the expenses we have incurred from cybersecurity incidents, including penalties and settlements, were immaterial, we may experience such incidents in the future and the scope and impact of any such future incidents cannot be predicted. To prepare for any such event, we have a full Disaster Recovery plan in place that is tested annually to ensure resilience against a myriad of threats.

Governance

Role of the Board of Directors and the Audit Committee

As part of the Board of Directors' role in overseeing the Company's enterprise risk management program, which includes our cybersecurity risk management framework, the Board is responsible for exercising oversight of management's identification and management of, and planning for, material cybersecurity risks that may reasonably be expected to impact the Company. While the full Board has overall responsibility for risk oversight, the Board has delegated oversight responsibility related to risks from cybersecurity threats to the Audit Committee. The Audit Committee is responsible for overseeing the strategic direction, objectives, and effectiveness of the Company's cybersecurity risk management framework, taking into account the Company's risk exposures and progress of its risk management processes. The Audit Committee is informed of the Company's cybersecurity risk management and receives an overview of its cybersecurity program from management at least quarterly, which covers topics including, among others, recent cybersecurity risk landscape and trends, data security posture, results from third-party assessments, training and vulnerability testing, our incident response plan, material cybersecurity risks, whether developing or actual, as well as the steps management has taken to respond to such risks, emerging cybersecurity regulations, technologies and best practices. Material cybersecurity risks are also discussed during separate Board meetings as part of the Board's risk oversight generally.

Role of Management

Our Chief Financial Officer is responsible for management's oversight of cybersecurity governance, decision-making, risk management, awareness, and compliance across the Company. Our Chief Financial Officer works to employ a cybersecurity program designed to protect the Company's information systems from cybersecurity threats and to respond to incidents in accordance with the Company's incident response plan and other policies and procedures.

In the event of a material cybersecurity incident or investigation, management will, in compliance with escalation protocols in place, promptly report to the Audit Committee and the Board, as appropriate, in accordance with the Company's incident response plan, and other policies and determine the timing of action, and necessary response.

The Company places a high priority on safeguarding its data, systems, and infrastructure from cybersecurity threats. To manage this critical aspect of operations, the Company partners with a third-party IT provider that specializes in cybersecurity services. Established in 1997, this provider brings over two decades of expertise in managing and mitigating cyber risks, including network security, vulnerability assessments, and incident response planning. The provider's comprehensive approach ensures the protection of the Company's sensitive information and critical systems, while also adhering to industry best practices and regulatory requirements. By leveraging the expertise of its third-party IT provider, the Company is able to implement robust cybersecurity measures that support operational continuity and reduce exposure to potential security incidents.

ITEM 2. DESCRIPTION OF PROPERTY

We currently lease 86,952 square feet of space for our corporate headquarters and RF connector and cable assembly manufacturing facilities in San Diego, California. On June 27, 2023, we entered into a Managed Client Agreement with RGN-MCA San Diego II, LLC ("IWG") pursuant to which IWG agreed to provide managed services for flexible workspaces under the "Regus" brand for 39,979 square feet on the 1st and 2nd floor(s) of the adjacent and vacant office spaces of our corporate headquarters. We occupy 46,973 square feet of office, warehouse and manufacturing space that house our corporate administration, sales and marketing, and engineering departments. The buildings are also used for production and warehousing by our RF Connector segment. We also lease 38,200 square feet of office and commercial lab space in Parsippany, New Jersey, where we operate the Microlab division. Additionally, we lease spaces in three other locations in the United States that house the administration offices and manufacturing facilities for our Custom Cabling segment. The table below shows a summary of the square footage of these locations as of October 31, 2024:

<u>Lease Location</u>	<u>Square Footage</u>
Milford, CT	13,750
North Kingstown, RI	7,000
Yaphank, NY	24,500

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. As of the date of this report, we are not subject to any proceeding that is not in the ordinary course of business or that is material to the financial condition of our business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information. RF Industries, Ltd.'s common stock is listed on The Nasdaq Global Market and is traded under the "RFIL" trading symbol.

Stockholders. As of October 31, 2024, there were 250 holders of our common stock according to the records of our transfer agent, Continental Stock Transfer & Trust Company, New York, New York, not including holders who hold their stock in "street name."

Issuer Purchases of Equity Securities. We did not repurchase any of our equity securities during the fourth quarter of fiscal 2024.

Recent Sales of Unregistered Securities. There were no previously unreported sales of equity securities by us that were not registered under the Securities Act during fiscal 2024.

Dividend Policy. Due to the current economic uncertainty and other financial considerations, our Board did not issue any dividend payments in fiscal year 2024. In the past our Board has approved dividend payments, but no assurance can be given if, or when the Board will resume dividend payments. The declaration and amount of any actual cash dividend are in the sole discretion of the Board and are subject to numerous factors that ordinarily affect dividend policy, including the results of our operations and financial position, as well as general economic and business conditions. Accordingly, if and when any dividends will be declared in the future will be determined by our Board based on the Company's future operations and on the Board's decision regarding the use of any future earnings.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING ESTIMATES

The consolidated financial statements and related disclosures have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these consolidated financial statements requires us to make significant accounting estimates that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. We evaluate our estimates, including those related to bad debts, allowances for slow-moving or obsolete inventory and contingencies, on an ongoing basis. We base our estimates on historical experience and on various other assumptions that are believed to be appropriate under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting estimates are those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our statement of operations and financial position. For the fiscal year ended October 31, 2024 the critical accounting estimates identified are described below:

Impairment Assessments of Finite-life Intangibles and Other Long-Lived Assets

We assess property, plant and equipment and intangible assets, which are considered definite-lived assets, for impairment. Definite-lived assets are reviewed when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We measure recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value.

We amortize our intangible assets with definite useful lives over their estimated useful lives and review these assets for impairment.

Impairment Assessment of Goodwill and Indefinite-lived Intangibles

We test our goodwill and trademarks and indefinite-lived intangible assets for impairment at least annually or more frequently if events or changes in circumstances indicate these assets may be impaired. These events or circumstances require significant judgment and could include a significant change in the business climate, legal factors, operating performance indicators, competition and sale or disposition of all or a portion of a division. This analysis requires significant judgments, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, estimation of the useful life over which cash flows will occur, and determination of our weighted average cost of capital.

We test goodwill for impairment at the reporting unit level. The goodwill impairment guidance in US GAAP provides entities an option to perform a qualitative assessment to determine whether further impairment testing is necessary. The qualitative assessment requires significant judgments by management about macro-economic conditions including our operating environment, industry and other market considerations, entity-specific events related to financial performance or loss of key personnel, and other events that could negatively impact the financial results and cash flows of the reporting unit. If the qualitative assessment results in a conclusion that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed. The quantitative assessment compares the fair value of the reporting unit with its carrying value, including goodwill. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the amount by which the carrying value exceeds the fair value is recognized as an impairment loss.

We estimate the fair value of our reporting units using the income approach based upon a discounted cash flow ("DCF") model. The income approach requires the use of many assumptions and estimates including future revenues, expenses, capital expenditures, and working capital, as well as discount factors and income tax rates. The discount rates used in the DCF model were based on a weighted-average cost of capital ("WACC") determined from relevant market comparisons, adjusted for specific reporting unit risks (primarily the uncertainty of achieving forecasted operating cash flows). A terminal value growth rate was applied to the final year of the forecasted period, which reflects our estimate of stable, perpetual growth in cash flows from the reporting unit. We then calculated a present value of the respective cash flows for each reporting unit to arrive at an estimate of fair value under the income approach. Finally, we compared the total of our estimates of all reporting units fair values to our total market capitalization to assess the reasonableness of our reporting units fair value.

Key assumptions of the cash flow forecast included in the DCF model are expected revenues, expenses, capital expenditures, and working capital, as well as discount factors and income tax rates as they are subject to a high degree of judgement and complexity. We make every effort to forecast future financial performance as accurately as possible with the information available to management at the time the forecast is developed.

There are inherent uncertainties in our cash flow forecast and it requires management to anticipate risks to the forecast such as execution of sales strategy, production execution, industry related make-buy decisions, and global market conditions. Changes in these estimates and assumptions could materially affect the future results of our tests for goodwill impairment. We continuously monitor and evaluate relevant events and circumstances that could impact our significant assumptions used in testing goodwill, including macroeconomic conditions, industry and market considerations, financial performance and expectations of forecasted financial performance and cash flows, and changes in our stock price in relation to the carrying value of its reporting units, among other relevant factors. It is possible that future changes in such circumstances, or in the inputs and assumptions used in estimating the fair value of our reporting units, could require us to perform an interim impairment assessment and record an impairment charge.

In addition to the DCF, we use also the market approach, which compares the reporting unit fair value to the fair value of publicly traded companies and recent sale transactions involving similar businesses.

As part of our goodwill impairment testing, as of October 31, 2024 and April 30, 2024, we performed a quantitative impairment test analysis for our Microlab reporting unit. In the DCF model, we utilized a discount rate that we believe represents the risks that our businesses face, considering their sizes, the current economic environment, and other industry data we believe is appropriate. The discount rates for Microlab were 17.0%, and 18.0% at October 31, 2024 and April 30, 2024, respectively. We assigned a 75% weight to the indicated fair value under the DCF model and 25% weight to the indicated fair value under the market approach in deriving a fair value of \$21.6 million and \$23.4 million for the Microlab reporting unit at October 31, 2024 and April 30, 2024, respectively.

These quantitative tests at October 31, 2024 and April 30, 2024 indicated that the Microlab reporting unit had an estimated fair value in excess of its carrying value of 8.9% and 8.6%, respectively, and no impairment was recorded.

As of October 31, 2024, Microlab has a carrying value of \$19.8 million, which includes \$5.6 million in goodwill and \$10.3 million in net amortizable intangible assets.

Valuation Allowance on Deferred Income Taxes

We record a tax provision (benefit) for the anticipated tax consequences of the reported results of operations. Income taxes are accounted for under the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates as of the date of the financial statements that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled.

We assess all positive and negative evidence in determining if a valuation allowance is required to be recorded against the deferred tax assets. Further, we evaluated future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. In making such judgements, significant weight is given to evidence that can be objectively verified, which includes the recent trend of losses. As of October 31, 2024, we recorded a valuation allowance of \$3.8 million against its federal and combined state deferred tax assets.

The change in valuation allowance was an increase of \$3.8 million and \$0.1 million for fiscal 2024 and 2023, respectively.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For recently issued accounting pronouncements that may affect us, see Note 1 of Notes to Consolidated Financial Statements.

OVERVIEW

During the periods covered by this Annual Report, we marketed a variety of connector products, including connectors and cables, standard and custom cable assemblies, wiring harnesses and fiber optic cable products to numerous industries for use in thousands of products. We aggregate our operating divisions into two reportable segments that have similar economic characteristics and are similar in the majority of the following areas: (1) the nature of the product and services; (2) the nature of the production process; (3) the type or class of customer for their products and services; (4) the methods used to distribute their products or services; and (5) if applicable, the nature of the regulatory environment. Our two reportable segments are the RF Connector and Cable Assembly (“RF Connector”) segment and the Custom Cabling Manufacturing and Assembly (“Custom Cabling”) segment – based upon this evaluation.

The RF Connector segment was comprised of three divisions while the Custom Cabling segment was comprised of three divisions. The six divisions that met the quantitative thresholds for segment reporting in the fiscal year ended October 31, 2024 were the RF Connector and Cable Assembly division, Cables Unlimited, Rel-Tech, C Enterprises, Schrofftech, and Microlab.

Revenues generated from the Custom Cabling segment were from the sale of fiber optics cable, copper cabling, custom patch cord assemblies, and wiring harnesses, which collectively accounted for 42% of the Company’s total sales, and revenues from the RF Connector segment were generated from the sales of RF connector products and cable assemblies and accounted for 58% of total sales for fiscal 2024. The RF Connector segment mostly sells standardized products regularly used by customers and, therefore, has a more stable revenue stream when compared to the Custom Cabling segment. The Custom Cabling segment mostly designs, manufactures, and sells customized cabling and wireless-related equipment under larger project-based purchase orders. Accordingly, the Custom Cabling segment is more dependent upon larger project orders, and its revenues, therefore, may be more volatile than the revenues of the RF Connector segment.

Financial Condition

The following table presents certain key measures of financial condition as of October 31, 2024 and 2023 (in thousands, except percentages):

	2024		2023	
	Amount	% Total Assets	Amount	% Total Assets
Cash and cash equivalents	\$ 839	1.2%	\$ 4,897	6.0%
Current assets	29,113	41.0%	36,040	43.8%
Current liabilities	18,090	25.5%	12,511	15.2%
Working capital	11,023	15.5%	23,529	28.6%
Property and equipment, net	4,813	6.8%	4,924	6.0%
Total assets	71,046	100.0%	82,278	100.0%
Stockholders' equity	34,066	47.9%	39,762	48.3%

Liquidity and Capital Resources

Historically, we have been able to fund our cash flow requirements for operations and other capital requirements from funds we generated from operations. However, we have incurred operating losses in fiscal 2024. During this period, we have implemented certain cost-cutting measures to reduce our operating expenses and to help drive positive operating cash flow and increase liquidity. Our plan includes consolidating facilities and recognizing the related operating efficiencies and synergies in our production operations. We intend to continue to pursue additional improvement and cost reduction measures, as well as organic growth in revenue and profitability.

As of October 31, 2024, we had a total of \$0.8 million of cash and cash equivalents compared to a total of \$4.9 million of cash and cash equivalents as of October 31, 2023. As of October 31, 2024, we had working capital of \$11.0 million and a current ratio of approximately 1.6:1 with current assets of \$29.1 million and current liabilities of \$18.1 million. The \$12.5 million decrease in working capital is primarily the result of the change in debt classification resulting from the EBC Revolving Loan Facility. We believe that the amount of cash remaining, plus the amount available to us under the EBC Revolving Loan Facility, will be sufficient to fund our anticipated liquidity needs.

As of October 31, 2024, we had \$19.5 million of backlog, compared to \$16.1 million as of October 31, 2023. The increase in backlog relates primarily to the increase in Direct Air Cooling and small cell requirements. Since purchase orders are submitted from customers based on the timing of their requirements, our ability to predict orders in future periods or trends in future periods is limited. Furthermore, purchase orders may be subject to cancellation from customers, although we have not historically experienced material cancellations of purchase orders.

As of October 31, 2024, we generated \$3.2 million of cash in our operating activities. This net inflow of cash is primarily related to an increase in inventories of \$4.0 million as a result of better inventory management and supply chain conditions improving allowing us to carry less inventory on hand, \$2.5 million from depreciation and amortization, \$0.9 million from stock-based compensation expense, \$0.7 million in other current assets, \$0.6 million from change in accounts payable, \$0.4 million from right-of-use assets and \$0.1 million from amortization of debt issuance costs. The cash usage was primarily due to the net loss of \$6.6 million, the change in accounts receivable of \$1.8 million resulting from a 16% increase in sales in Q4 2024 as compared to Q4 2023 and the change in accrued expenses of \$0.3 million. The cash generated by other current assets represents \$0.7 million, which primarily consists of \$0.4 million of prepaid taxes and \$0.3 million of prepaid expenses. We also recorded a non-cash item of \$2.7 million from deferred income taxes.

As of October 31, 2024, we also spent \$0.7 million on capital expenditures, \$13.2 million in BofA Term Loan payments, \$0.5 million of debt issuance cost, and drew \$7.2 million on EBC Revolving Loan Facility.

Our goal to expand and grow our business both organically and through acquisitions may require material additional capital equipment. In the past, we have purchased all additional equipment, or financed some of our equipment and furnishings requirements through capital leases. At this time, we have not identified any additional capital equipment purchases that would require significant additional leasing or capital expenditures during the next 12 months. We also believe that based on our current financial condition, our current backlog of unfulfilled orders, and our anticipated future operations, we would be able to finance our expansion, if necessary.

From time to time, we may undertake acquisitions of other companies or product lines in order to diversify our product and solutions offerings and customer base. Conversely, we may undertake the disposition of a division or product line due to changes in our business strategy or market conditions. Acquisitions may require the outlay of cash, which may reduce our liquidity and capital resources while dispositions may increase our cash position, liquidity and capital resources. Since our goal is to continue to expand our operations and accelerate our growth through future acquisitions, we may use some of our current capital resources to fund acquisitions we may undertake in the future.

Results of Operations

The following summarizes the key components of our consolidated results of operations for the fiscal years ended October 31, 2024 and 2023 (in thousands, except percentages):

	2024		2023	
	Amount	% of Net Sales	Amount	% of Net Sales
Net sales	\$ 64,857	100.0%	\$ 72,168	100.0%
Cost of sales	45,986	70.9%	52,631	72.9%
Gross profit	18,871	29.1%	19,537	27.1%
Engineering expenses	2,782	4.3%	3,151	4.4%
Selling and general expenses	18,912	29.2%	20,183	28.0%
Operating loss	(2,823)	-4.4%	(3,797)	-5.3%
Other loss	(980)	-1.5%	(453)	-0.6%
Loss before provision (benefit) from income taxes	(3,803)	-5.9%	(4,250)	-5.9%
Provision (benefit) from income taxes	2,796	4.3%	(1,172)	-1.6%
Consolidated net loss	(6,599)	-10.2%	(3,078)	-4.3%

Net sales for the year ended October 31, 2024 of \$64.9 million decreased by 10.1%, or \$7.3 million, compared to the year ended October 31, 2023. The decrease in net sales is attributable to the RF Connector segment, which decreased by \$8.0 million, or 17.4%, to \$37.9 million compared to \$45.9 million in fiscal 2023, primarily due to decreased sales to some of our distributor customers based on lower levels of inventory kept on hand in the channel, and the lower carrier capital expenditure environment, leading to fewer carrier DAS projects involving approved RF components. Net sales for fiscal 2024 at the Custom Cabling segment increased by \$0.8 million, or 3.1%, to \$27.0 million compared to \$26.2 million in fiscal 2023, primarily due to an increase in small cell deployment and Direct Air Cooling applications.

Gross profit for fiscal 2024 decreased by \$0.6 million to \$18.9 million and gross margins increased to 29.1% of sales from 27.1% of sales in fiscal 2023. The decrease in gross profit was primarily a result of the decrease in sales, while gross margins increased due to product mix and other cost-savings initiatives.

Engineering expenses decreased by \$0.4 million to \$2.8 million for fiscal 2024 compared to \$3.2 million in fiscal 2023. The decrease was primarily the result of advances in product development and other cost-savings initiatives. Engineering expenses represent costs incurred relating to the ongoing research and development of new products.

Selling and general expenses decreased by \$1.3 million to \$18.9 million (29.2% of sales) compared to \$20.2 million (28.0% of sales) in fiscal 2023 primarily due to a decrease in variable compensation related to commissions and bonuses, resulting from lower sales. We also realized cost savings from restructuring, coupled with reduced general office and IT expenses. We incurred one-time charges of \$0.2 million relating to consulting spend, severance, and an inventory appraisal in fiscal 2024.

For fiscal 2024, we recorded a pretax income for the Custom Cabling segment of \$1.1 million and a pretax loss for the RF Connector segment of \$3.7 million, as compared to \$1.5 million loss and \$1.5 million loss, respectively, for fiscal 2023. The pretax income at the Custom Cabling segment was primarily due to the increase of Direct Air Cooling sales and margin along with cost saving initiatives realized throughout the year. The decrease in the pretax net income at the RF Connector segment was primarily due to the decrease in sales related to carrier DAS projects involving approved RF components.

The provision (benefit) for income taxes was \$2.8 million or 73.5% and (\$1.2 million) or (27.5%) of income before income taxes for fiscal 2024 and 2023, respectively. The fiscal 2024 effective tax rate differed from the statutory federal rate of 21% primarily as a result of the tax benefit from research and development tax credits, the change in valuation allowance and state taxes.

For fiscal 2024, net loss was \$6.6 million and fully diluted loss per share was \$0.63 as compared to a net loss of \$3.1 million and fully diluted loss per share of \$0.30 for fiscal 2023. For fiscal 2024, the diluted weighted average shares outstanding was 10,481,835 as compared to 10,283,449 for fiscal 2023.

Inflation and Rising Costs

The cost to manufacture the Company's products is influenced by the cost of raw materials and labor. The Company has recently experienced higher costs as a result of the increasing cost of labor and the increasing cost of raw materials. The cost of raw materials is due in part to a shortage in the availability of certain products, the higher cost of shipping, and inflation. Labor costs have risen recently as a result of increases in the minimum wage laws and an increased demand for workers. The Company may, from time to time, try to offset these cost increases by increasing the prices of its products. However, because the prices of certain of the Company's products, particularly those under longer-term manufacturing contracts for communications related products, are fixed until the goods are manufactured and delivered, implementing price increases frequently is often not feasible.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to a "smaller reporting company" as defined in Item 10(f)(1) of SEC Regulation S-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's financial statements required by this item are set forth as a separate section of this Annual Report on Form 10-K and incorporated by reference in this Item 8. The following Financial Statements of the Company with related Notes and Report of Independent Registered Public Accounting Firm are attached hereto as pages F-1 to F-23 and filed as part of this Annual Report:

- Report of CohnReznick LLP, Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of October 31, 2024 and 2023
- Consolidated Statements of Operations for the years ended October 31, 2024 and 2023
- Consolidated Statements of Stockholders' Equity for the years ended October 31, 2024 and 2023
- Consolidated Statements of Cash Flows for the years ended October 31, 2024 and 2023
- Notes to Consolidated Financial Statements

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) that are designed to assure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide reasonable assurance only of achieving the desired control objectives, and we necessarily are required to apply our judgment in weighing the costs and benefits of possible new or different controls and procedures. Limitations are inherent in all control systems, so no evaluation of controls can provide absolute assurance that all control issues and any fraud have been detected. Because of the inherent limitations, we regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, and to maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

As required by Exchange Act Rule 13a-15(b), as of the end of the period covered by this report, we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of October 31, 2024.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our system of internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Under the supervision and with the participation of the Company's management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in "Internal Control-Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the above evaluation, management has concluded that our internal control over financial reporting was effective as of October 31, 2024.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

Changes in Internal Controls

There were no changes in our internal control over financial reporting during the most recent fiscal quarter ended October 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ITEM 9B. OTHER INFORMATION

During the quarter ended October 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Set forth below is information regarding the Company's directors, including information furnished by them as to their principal occupations for the last five years, and their ages as of January 21, 2025. Other than Robert Dawson, our current Chief Executive Officer, all of the directors are "independent directors" as defined by the listing standards of the NASDAQ Stock Market, and the Board of Directors (the "Board") has determined that such independent directors have no relationship with the Company that would interfere with the exercise of their independent judgment in carrying out the responsibilities of a director.

Name	Age	Director Since
Mark K. Holdsworth, Chairman	59	2020
Sheryl Cefali	62	2019
Robert Dawson	51	2018
Gerald T. Garland	74	2017
Kay L. Tidwell	47	2022

Mark K. Holdsworth was appointed to the Board on December 31, 2020 and currently serves as the Chair of the Board. Mr. Holdsworth is the Managing Partner of The Holdsworth Group, LLC ("THG"), which he founded in 2019. THG is a capital partner, advisor, and curator of alternative investments for family offices and corporations worldwide. From 1999-2018, Mr. Holdsworth was a Co-Founder, Managing Partner and Operating Partner of Tennenbaum Capital Partners, LLC ("TCP"), a Los Angeles-based private multi-strategy investment firm that was acquired by BlackRock, Inc. in August 2018, and was a Managing Director of BlackRock until April 2019. Mr. Holdsworth is currently a director of Parsons Corporation (NYSE: PSN), where he previously held the position of Chair of the Corporate Governance and Responsibility Committee, and was a former member of the Executive Committee. Mr. Holdsworth earned a Bachelor of Arts degree from Pomona College, a Bachelor of Science degree (with Honors) from the California Institute of Technology and a Master of Business Administration degree from Harvard Business School.

Sheryl Cefali was appointed to the Board in 2019 and currently serves as the Chair of the Compensation Committee and a committee member on the Audit Committee and the Nominating and Corporate Governance Committee. Ms. Cefali is a Managing Director in the Duff & Phelps Opinions Practice of Kroll, LLC. Ms. Cefali has over 30 years of experience rendering fairness and solvency opinions and determining valuations of companies and securities. She is a member of the Fairness and Solvency Opinion Senior Review Committee at Duff & Phelps. Prior to joining Duff & Phelps in 1990, she was a Vice President with Houlihan Lokey. Ms. Cefali received her M.B.A. with a concentration in finance from the University of Southern California and her B.A. degree from the University of California at Santa Barbara.

Robert Dawson has been the Company's Chief Executive Officer since July 17, 2017, and served as the Company's President from July 2017 until February 2024. Effective July 21, 2018, Mr. Dawson was appointed to the Company's Board to also serve as a director. Prior to joining RF Industries on July 17, 2017, Mr. Dawson was President and CEO of Vision Technology Services, an information technology consulting and project management company that was acquired by BG Staffing. He spent 2007-2013 at TESSCO Technologies, a publicly traded distributor of wireless products and services. At TESSCO Mr. Dawson held multiple executive roles in sales, marketing, product management and strategy culminating with being Vice President of Sales, responsible for TESSCO's sales organization and leading a team delivering more than \$700 million in sales. He joined TESSCO through the 2007 acquisition of NetForce Solutions, a technology training and consulting firm that he co-founded in 2000 and led as the Chief Executive Officer through seven years of growth before being acquired by TESSCO. Mr. Dawson received his Bachelor's degree in Business Administration from Hillsdale College.

Gerald T. Garland has been a Board member since 2017 and currently serves as Chair of the Audit Committee and a committee member on the Compensation Committee. He is currently the CEO and Co-Founder of Life, Leadership and Legacy, LLC. Mr. Garland is also currently Vice Chairman of the World Trade Center Institute and serves on the Executive Committee of the board. From 2003 until 2015, Mr. Garland served as Senior Vice President of Solutions Development and Product Management and SVP of the Commercial Division for TESSCO Technologies, a publicly traded value-added distributor and solutions provider for the wireless industry. He was previously Director of Business Development at American Express Tax and Business Services from 2002 to 2003, where he was involved in an expanded asset recovery capability for Fortune 1000 companies. From 2000 to 2001, he was Chief Financial Officer at Mentor Technologies, a developer of on-line, CISCO certification training products. Mr. Garland was Chief Financial Officer and Treasurer at TESSCO Technologies from 1993 to 1999, during which he oversaw the company's initial public offering as well as TESSCO's significant sales expansion. Prior to joining TESSCO, Mr. Garland held leadership positions at Bank of America and Stanley Black & Decker. Mr. Garland received his M.B.A., with a concentration in Finance from Loyola University and his Bachelor of Science in Business Management and Accounting from Towson University. Mr. Garland was a board member for SOZO Children from 2011 through 2020 and a Senior Adviser from 2020 to present.

Kay L. Tidwell was appointed to the Board in 2022 and serves as the Chair of the Nominating and Corporate Governance Committee and a committee member on the Compensation Committee. Ms. Tidwell is the Executive Vice President, General Counsel and Chief Risk Officer of Hudson Pacific Properties Inc. ("Hudson Pacific"). She joined Hudson Pacific in 2010 and is responsible for the Company's corporate legal function, overseeing corporate governance matters, SEC and NYSE compliance, insurance and litigation, as well as managing outside counsel. Prior to Hudson Pacific, Ms. Tidwell was an attorney at Latham & Watkins LLP ("Latham and Watkins"), where she began her legal career in the Los Angeles office, advising on a wide variety of corporate and securities matters, including Hudson Pacific's IPO. Ms. Tidwell also worked as the U.S. associate in the German offices of Latham and Watkins. She received a Bachelor of Arts degree in English, magna cum laude, from Yale College and earned a Juris Doctor degree from Yale Law School.

The Company believes that Messrs. Holdsworth, Dawson and Garland and Ms. Cefali and Tidwell have the following qualifications as members of the Board of Directors:

Mark K. Holdsworth: Mr. Holdsworth has significant experience in investment banking and investment management. In addition, Mr. Holdsworth has experience in serving on the boards of directors of major public companies and as the Chair of a Corporate Governance and Responsibility Committee.

Sheryl Cefali: Ms. Cefali has over 30 years of experience rendering fairness and solvency opinions and determining valuations of companies and securities. Ms. Cefali is currently a Managing Director at Kroll, LLC, as well as a member of that firm's Fairness and Solvency Opinions Senior Review Committee.

Robert Dawson: Mr. Dawson has significant leadership experience in sales, marketing, product management and strategy for a leading publicly traded distributor of wireless products and services. Mr. Dawson also served as President and CEO of an information technology consulting and project management company and was a co-founder of a successful telecom and wireless technology training and consulting firm that he led for seven years of growth until it was acquired.

Gerald T. Garland: Mr. Garland has significant leadership experience in financial management, product management, sales management, solutions development and global sourcing. Mr. Garland has significant industry experience having served as the Chief Financial Officer and Senior Vice President for a leading publicly traded distributor and solutions provider of wireless products and services for over 18 years. Mr. Garland has also held senior leadership positions with Bank of America, Stanley Black & Decker and American Express Tax and Business Services.

Kay L. Tidwell: Ms. Tidwell has experience advising public companies as a former attorney at Latham and Watkins. In her current role as Executive Vice President, General Counsel and Risk Officer of Hudson Pacific, she also has relevant corporate governance compliance and risk management experience.

Management

Robert Dawson, 51, has been the Company's Chief Executive Officer since July 17, 2017, and served as the Company's President from July 2017 until February 2024. Effective July 21, 2018, Mr. Dawson was appointed to the Company's Board to also serve as a director. See preceding section for information regarding Mr. Dawson.

Peter Yin, 42, Chief Financial Officer, was appointed as the Company's Interim Chief Financial Officer and Corporate Secretary effective July 11, 2020, promoted to Chief Financial Officer on January 12, 2021 and additionally appointed Treasurer on December 10, 2021. Mr. Yin, a Certified Public Accountant and a Certified Fraud Examiner, joined the Company in September 2014 and served as the Company's Senior Vice President, Finance & Operations since November 2019. Prior to joining the Company, Mr. Yin worked at Sony Corporation of America in Corporate Audit from 2010 to 2014, and at Grant Thornton in the Assurance practice from 2006 to 2010. Mr. Yin received a Bachelor's degree in Accountancy from the University of San Diego.

Ray Bibisi, 60, joined the Company as Chief Revenue Officer in January 2020, was promoted to Chief Operating Officer effective in May 2022, and was appointed as President effective in February 2024. Prior to joining the Company, he spent over 30 years at Radio Frequency Systems, where he concurrently held the roles of Vice President of Sales and General Manager of North America, and was a member of the Global Governing Executive Committee, and concurrently also oversaw operations, finance, supply chain, and research and development.

Board of Director Meetings

During the fiscal year ended October 31, 2024, the Board held eight meetings. During the fiscal year ended October 31, 2024, each member of the Board attended at least 75% of the meetings of the Board and of the Board committees on which they served.

Board Age Limitation Policy

In December 2020, the Board adopted a policy that no individual shall be eligible to be nominated by the Board for election or re-election as a member of the Board if, at the time of the nomination, the individual has attained the age of 75 years.

Board Committees

During fiscal 2024, the Board maintained three committees: the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee.

The Audit Committee meets periodically with the Company's management and independent registered public accounting firm to, among other things, review the results of the annual audit and quarterly reviews and discuss the financial statements. The Audit Committee also hires the independent registered public accounting firm, and receives and considers the accountant's comments as to controls, adequacy of staff and management performance and procedures. The Audit Committee is also authorized to review related party transactions for potential conflicts of interest and to conduct internal investigations into whistleblower complaints, and to oversee the Company's cybersecurity risk, policies and procedures. The Audit Committee currently consists of Mr. Garland (Chair), Ms. Cefali, and Mr. Holdsworth. Each of the current members of the Audit Committee is a non-employee director and is independent as defined under the NASDAQ Stock Market's listing standards. In addition, each of the members of the Audit Committee has significant knowledge of financial matters, and Mr. Garland is an "audit committee financial expert." The Audit Committee met five times during fiscal 2024.

The Compensation Committee currently consists of Ms. Cefali (Chair), Mr. Garland, and Ms. Tidwell, each of whom is a non-employee director and is independent as defined under the NASDAQ Stock Market's listing standards. The Compensation Committee is responsible for considering and recommending to the Board the compensation arrangements for senior management. As part of its other responsibilities, the Compensation Committee provides general oversight of our compensation structure and, if deemed necessary, retains and approves the terms of the retention of compensation consultants and other compensation experts. Other specific duties and responsibilities of the Compensation Committee include reviewing the performance of executive officers; reviewing and approving objectives relevant to executive officer compensation; recommending equity-based and incentive compensation plans; and recommending compensation policies and practices for service on our Board and its committees and for the Chair of our Board. The Compensation Committee works primarily with our Chief Executive Officer to gather internal data and solicit management's recommendations regarding compensation. However, the Compensation Committee determines the compensation for each of our individual officers outside the presence of the affected officer. The Compensation Committee also advises and consults with other non-executive board members as it determines appropriate regarding compensation issues. The Compensation Committee held seven meetings during fiscal 2024.

The Nominating and Corporate Governance Committee is responsible for developing and recommending corporate governance guidelines to the Board, identifying qualified individuals to become directors, recommending selected nominees to serve on the Board, and performing and overseeing the annual evaluation of the Board and its committees. The Nominating and Corporate Governance Committee currently consists of Ms. Tidwell (Chair), Mr. Holdsworth, and Ms. Cefali, each of whom is a non-employee director and is independent as defined under the NASDAQ Stock Market's listing standards. During fiscal 2022 Mr. Fink served on the Committee until he resigned as a director as of September 6, 2022 and Ms. Tidwell joined as of September 8, 2022. The Nominating and Corporate Governance Committee held four meetings during fiscal 2024.

The Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, each operate pursuant to a written charter, which charters are available on our website on www.rfindustries.com.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics (the "Code") that applies to all of our Directors, officers and employees, including its principal executive officer and principal financial officer. The Code is posted on our website at www.rfindustries.com. We intend to disclose any amendments to the Code by posting such amendments on its website. In addition, any waivers of the Code for Directors or executive officers of the Company will be disclosed in a report on Form 8-K.

Insider Trading Arrangements and Policies

The Company has insider trading policies and procedures that govern the purchase, sale and other dispositions of its securities by directors, officers and employees, as well as by the Company itself. The Company believes these policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards.

ITEM 11. EXECUTIVE COMPENSATION

The following table discloses the compensation awarded to, earned by, paid to or accrued to our named executive officers for services rendered to us for the years ended October 31, 2024 and 2023.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Severance (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$) (3)	Total (\$)
Robert D. Dawson Chief Executive Officer and Director (1)	2024	400,000	-	-	220,580 (4)	205,264 (5)	15,000 (11)	-	69,231	910,075
	2023	443,333	-	-	177,863 (6)	204,240 (6)	- (12)	-	69,231	894,667
Peter Yin Chief Financial Officer	2024	285,000	-	-	62,858 (7)	73,309 (7)	15,000 (11)	-	21,317	457,484
	2023	283,333	-	-	63,525 (8)	72,942 (8)	- (12)	-	35,803	455,603
Ray Bibisi President and Chief Operating Officer (2)	2024	242,500	-	-	62,858 (9)	73,309 (9)	15,000 (11)	-	28,702	422,369
	2023	218,333	-	-	30,493 (10)	35,012 (10)	- (12)	-	24,799	308,637

- (1) Effective November 1, 2023, Mr. Dawson's annual salary was \$445,000, of which \$45,000 was issued through restricted shares on November 1, 2023 in order to conserve cash.
- (2) Effective February 1, 2024, Mr. Bibisi's annual salary increased to \$250,000. For the fiscal year ended October 31, 2024, Mr. Bibisi was paid \$242,500. On February 29, 2024, Mr. Bibisi was promoted to President adding to his role as Chief Operating Officer.
- (3) Represents accrued vacation.
- (4) On November 1, 2023, Mr. Dawson was granted 15,202 shares of restricted stock valued at \$44,998 in lieu of cash. On January 11, 2024, Mr. Dawson was granted 58,333 shares of restricted stock valued at \$175,582.
- (5) On January 11, 2024, Mr. Dawson was granted options to purchase 116,667 shares of common stock at an exercise price of \$3.01 (the closing price of the Company's common stock on the date of grant) valued at \$205,264.
- (6) On January 11, 2023, Mr. Dawson was granted 31,818 shares of restricted stock valued at \$173,749 and options to purchase 63,636 shares of common stock at an exercise price of \$5.46 (the closing price of the Company's common stock on the date of grant) valued at \$204,240.
- (7) On January 11, 2024, Mr. Yin was granted 20,883 shares of restricted stock valued at \$62,858 and options to purchase 41,667 shares of common stock at an exercise price of \$3.01 (the closing price of the Company's common stock on the date of grant) valued at \$73,309.
- (8) On January 11, 2023, Mr. Yin was granted 11,364 shares of restricted stock valued at \$62,055 and options to purchase 22,727 shares of common stock at an exercise price of \$5.46 (the closing price of the Company's common stock on the date of grant) valued at \$72,942.
- (9) On January 11, 2024, Mr. Bibisi was granted 20,883 shares of restricted stock valued at \$62,858 and options to purchase 41,667 shares of common stock at an exercise price of \$3.01 (the closing price of the Company's common stock on the date of grant) valued at \$73,309.
- (10) On January 11, 2023, Mr. Bibisi was granted 5,455 shares of restricted stock valued at \$29,788 and options to purchase 10,909 shares of common stock at an exercise price of \$5.46 (the closing price of the Company's common stock on the date of grant) valued at \$35,012.
- (11) On April 16, 2024, the Board adopted an incentive compensation plan for officers (including the named executive officers) and senior managers of the Company pursuant to which officers and managers were entitled to cash bonuses based upon (i) the Company's achievement of specified corporate goals and (ii) the satisfaction of subjective personal performance and contribution goals established for that participant. The personal bonus target for Mr. Dawson was 75% and Mr. Yin and Mr. Bibisi was 50% of their respective annual base salaries. The Board determined that each of these officers achieved a portion of their respective subjective personal performance and contribution goals, and therefore earned a bonus based on the achievement of these goals for the fiscal year ended October 31, 2024.
- (12) On March 9, 2023, the Board adopted an incentive compensation plan for officers (including the named executive officers) and senior managers of the Company pursuant to which officers and managers were entitled to cash bonuses based upon (i) the Company's achievement of specified corporate goals and (ii) the satisfaction of subjective personal performance and contribution goals established for that participant. The personal bonus target for Mr. Dawson was 75% and Mr. Yin and Mr. Bibisi was 50% of their respective annual base salaries. The Board determined that each of these officers did not achieve the established goals, and therefore did not earn a bonus of their respective salary for the fiscal year ended October 31, 2023.

2024 Option Grants

On January 11, 2024, we granted incentive stock options to Mr. Dawson for the purchase of 116,667 shares, Mr. Yin for the purchase of 41,667 shares, and Mr. Bibisi for the purchase of 41,667 shares. The incentive stock options vest over four years as follows: (i) one-quarter of the options shall vest on January 11, 2025 and (ii) the remaining options shall vest in 12 equal quarterly installments over the next three years. All incentive stock options expire 10 years from the date of grant. No other options were granted to the named executive officers during the year ended October 31, 2024.

On April 16, 2024, we granted a total of 25,000 incentive stock options to three managers. The shares of incentive stock options vest over four years as follows: (i) one-quarter of the options shall vest on April 16, 2025 and (ii) the remaining and options shall vest in 12 equal quarterly installments over the next three years.

Holdings of Previously Awarded Equity

Equity awards held as of October 31, 2024 by each of our named executive officers were issued under our 2020 Equity Incentive Plan, as amended (the "2020 Equity Incentive Plan") and 2010 Stock Incentive Plan. The following table sets forth outstanding equity awards held by our named executive officers as of October 31, 2024:

Outstanding Equity Awards As Of October 31, 2024

Name	Option Awards					
	Equity Incentive Plan		Awards: Number of Securities Underlying Unexercised Options		Option Exercise Price (\$)	Option Expiration Date
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)		
Robert D. Dawson	25,000.00		-		1.90	7/17/2027
	42,000.00		-		6.40	1/9/2030
	39,375.00		2,625.00 (1)		4.98	1/12/2031
	50,000.00		-		8.69	7/16/2031
	32,084.00		14,583.00 (2)		7.11	1/10/2032
	27,841.00		35,795.00 (3)		5.46	1/11/2033
	-		116,667.00 (4)		3.01	1/11/2034
Peter Yin	32,000.00		24,000.00 (5)		2.40	1/6/2030
	3,752.00		-		6.40	1/9/2030
	9,375.00		625.00 (1)		4.98	1/12/2031
	29,792.00		13,542.00 (2)		7.11	1/10/2032
	9,943.00		12,784.00 (3)		5.46	1/11/2033
	-		41,667.00 (4)		3.01	1/11/2034
Ray Bibisi	50,000.00		-		6.74	1/6/1930
	10,000.00		-		6.40	1/9/1930
	7,031.00		469.00 (1)		4.98	1/12/2031
	5,500.00		2,500.00 (2)		7.11	1/10/2032
	4,773.00		6,136.00 (3)		5.46	1/11/2033
	-		41,667.00 (4)		3.01	1/11/2034

- (1) Vests over four years as follows: (i) one-quarter shall vest on January 12, 2022; and (ii) the remaining options shall vest in twelve equal quarterly installments over the next three years, commencing with the first quarter following January 12, 2022.
- (2) Vests over four years as follows: (i) one-quarter shall vest on January 10, 2023; and (ii) the remaining options shall vest in twelve equal quarterly installments over the next three years, commencing with the first quarter following January 10, 2023.
- (3) Vests over four years as follows: (i) one-quarter shall vest on January 11, 2024; and (ii) the remaining options shall vest in twelve equal quarterly installments over the next three years, commencing with the first quarter following January 11, 2024.
- (4) Vests over four years as follows: (i) one-quarter shall vest on January 11, 2025; and (ii) the remaining options shall vest in twelve equal quarterly installments over the next three years, commencing with the first quarter following January 11, 2025.
- (5) Vests as to 8,000 shares annually following grant on December 13, 2017.

During the fiscal year ended October 31, 2024, we did not adjust or amend the exercise price of stock options awarded to the named executive officers.

Employment Agreements; Incentive Plan; Change of Control Arrangements

Employment Agreements

Robert Dawson. On July 16, 2021, the Company entered into an employment agreement (the “CEO Employment Agreement”) with Robert D. Dawson, pursuant to which he continues to serve as the Company’s Chief Executive Officer. The CEO Employment Agreement became effective on July 17, 2021 and replaced Mr. Dawson’s prior employment agreement that expired on July 17, 2021. The initial term of the CEO Employment Agreement ended on January 31, 2023, after which the CEO Employment Agreement automatically renews for an additional one (1) year period, unless either Mr. Dawson or the Company provides the other party with written notice of non-renewal at least ninety (90) days prior to the date of automatic renewal.

Under the CEO Employment Agreement, the Company agreed to pay Mr. Dawson an annual base salary of \$425,000. Mr. Dawson will also be eligible to participate in the Company’s annual bonus plan, pursuant to which he will have the opportunity to earn a year-end bonus equal to fifty percent (50%) of his annual base salary. Under the CEO Employment Agreement, if Mr. Dawson’s employment is terminated by the Company for any reason other than for “cause”, the Company is obligated to Mr. Dawson for (x) an amount equal to one year’s base salary as in effect at such time, and (y) the estimated pro rata portion of his target bonus that was earned through the date of termination, and the vesting period of all of Mr. Dawson’s unvested stock options and all unvested time-based restricted stock grants will automatically be fully accelerated as of the termination date. The foregoing provisions will not apply if Mr. Dawson voluntarily terminates his employment with the Company or is terminated for cause. Mr. Dawson’s annual base salary for fiscal year 2024 was \$445,000, of which \$45,000 was issued through restricted shares on November 1, 2023.

Also, effective July 17, 2021, Mr. Dawson received a fully vested, 10-year immediately exercisable stock option to purchase 50,000 shares of the Company’s common stock. The exercise price of this option is \$8.69, which was the closing price on the date of the CEO Employment Agreement. The CEO Employment Agreement also provided that the vesting schedule of the remaining unvested portion of an option that was granted to him in 2017 was revised. On July 17, 2017, Mr. Dawson received stock options to purchase 100,000 shares of the Company’s common stock (the “2017 Option”). The award has an exercise price of \$1.90 and vests as to 10,000 shares per year on each anniversary of July 17, 2017 (with 10,000 shares having vested on July 17, 2017) while he is employed by the Company. As of July 17, 2021, 50,000 shares remained unvested under the 2017 Option. Under the revised vesting schedule, provided Mr. Dawson is still employed by the Company, 25,000 shares of those unvested options under the 2017 Option vested on July 17, 2022, and the remaining 25,000 shares will vest on July 17, 2023.

Upon a Change of Control Transaction (as defined in the CEO Employment Agreement), all of Mr. Dawson’s time-based stock options and shares of restricted stock shall immediately vest, whether or not his employment is terminated. If, at the time of a Change of Control Transaction, Mr. Dawson’s employment is terminated by the Company for any reason other than cause (as defined in the CEO Employment Agreement), Mr. Dawson will be entitled to receive a change of control cash payment in an amount equal to 12 months of his base salary.

Peter Yin. Mr. Yin was promoted to Chief Financial Officer on January 12, 2021. Mr. Yin is currently employed on an at-will basis without written employment agreement. Mr. Yin’s annual base salary for the fiscal year 2024 was \$285,000.

Ray Bibisi. Mr. Bibisi was appointed to Chief Operating Officer in May 2022 and was promoted to President in February 2024, and is currently employed on an at-will basis without written employment agreement. Mr. Bibisi’s annual base salary for fiscal year 2024 was \$250,000.

Adoption of Fiscal Year 2024 Management Incentive Equity and Cash Compensation Plan

On April 16, 2024, the Board adopted an annual incentive compensation plan for officers (including the Company’s named executive officers) and certain senior managers of the Company and its subsidiaries for the fiscal year ended October 31, 2024 (the “2024 Compensation Plan”). Under the 2024 Compensation Plan, each participant (i) received an equity award as a long-term incentive, and (ii) is eligible to receive a cash payment after the end of the fiscal year as a short-term incentive.

Equity Awards. In order to provide long-term incentives to the Company’s officers and managers, on January 11, 2024, the Board granted participating officers and managers shares of restricted stock and options to purchase the Company’s common stock pursuant to the Company’s 2020 Equity Incentive Plan. Provided the participating officer or manager is still employed with the Corporation or its subsidiaries on the following dates, the shares of restricted stock and the options shall vest over four years as follows: (i) one-quarter of the restricted shares and options shall vest on January 11, 2025; and (ii) the remaining restricted shares and options shall vest in 12 equal quarterly installments over the next three years, commencing with the first quarter following January 11, 2025. The options have a 10-year term and an exercise price of \$3.01 per share (which was the closing price of the Company’s common stock on the date of grant).

Mr. Dawson, the Company's Chief Executive Officer, was granted 58,333 shares of restricted stock and options to purchase 116,667 shares of common stock at an exercise price of \$3.01 per share (the closing price of the Company's common stock on the date of grant); Mr. Yin, the Company's Chief Financial Officer, was granted 20,833 shares of restricted stock and options to purchase 41,667 shares of common stock at an exercise price of \$3.01 per share; and Mr. Bibisi, the Company's President and Chief Operating Officer, was granted 20,833 shares of restricted stock and options to purchase 41,667 shares of common stock at an exercise price of \$3.01 per share.

Cash Incentives. Under the 2024 Compensation Plan, cash incentive bonuses, if any, will be paid to certain officers and senior managers based upon (i) the Company's achievement of specified financial goals and (ii) the Board's discretionary review of each participant's performance during fiscal 2024. The subjective performance of each officer will be evaluated and determined by the Compensation Committee, in its sole discretion, after consultation with the Company's Chief Executive Officer, other than with respect to the performance of the Chief Executive Officer.

The minimum, target and maximum cash bonus payable to the Chief Executive Officer is, respectively, 0%, 75% and 112.5% of his annual base salary, depending on achievement of the specified goals. For the other participants, the minimum bonus is 0%, the target bonuses range from 15% to 50% of base pay, and the maximum cash bonus payable ranges from to 22.5% to 75% of the recipient's fiscal 2024 annual base salary.

For the Chief Executive Officer and other employees, bonuses will be weighted and based on (i) the Company's achievement of certain fiscal 2024 revenues (weighted 30%), (ii) fiscal 2024 adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) (weighted 50%), (iii) adjusted EBITDA, less interest expense on a per share basis (weighted 10%), and (iv) a subjective evaluation of each individual's performance (weighted 10%).

For the Chief Financial Officer, President and Chief Operating Officer, bonuses will be weighted and based on (i) the Company's achievement of certain fiscal 2024 revenues (weighted 20%), (ii) fiscal 2024 adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) (weighted 50%), (iii) adjusted EBITDA, less interest expense on a per share basis (weighted 10%), and (iv) a subjective evaluation of each individual's performance (weighted 20%).

The calculation of adjusted EBITDA will exclude the impact of one-time charges related to any business acquisitions or dispositions effected during the year, severance payments, moving costs, the impact of the Federal Paycheck Protection Program loans the Company has received, earn-out payments or reversals, other non-recurring items, executive bonus payments and equity compensation expenses accrued to management. The Board and the Compensation Committee reserve the right to modify these goals, criteria and target percentage at any time, and to grant bonuses to the participants even if the performance goals are not met. In addition, the Board and Compensation Committee may modify the bonus plan targets to reflect significant changes in Company's business, including changes due to acquisitions or dispositions of businesses or product lines. The 2024 bonuses will be paid within 75 days after the end to the fiscal year to participating officers and managers who are employed with the Company or its subsidiaries on the date of payment.

Change of Control Arrangements

As described in "Employment Agreements; Incentive Plan; Change of Control Arrangements--Employment Agreements--Robert Dawson," above, Mr. Dawson is entitled to a cash payment and the acceleration of the vesting of certain of his options upon a Change of Control Transaction (as defined in his current employment agreement).

The outstanding stock options currently owned by the Company's principal officers (including Messrs. Dawson, Yin and Bibisi) and division managers provide that, immediately prior to a change of control (as defined), all unvested stock options will become fully vested and exercisable. In addition, the shares of restricted stock granted to each of the non-executive directors for his/her services to be rendered during the current year, shall also become fully vested upon a change of control event.

The Company has no other change of control payment agreements that are currently in effect.

Compensation of Directors

Under the compensation policies adopted by the Compensation Committee, directors who also are officers and/or employees of the Company do not receive any compensation for serving on the Board. On September 6, 2023, the Board determined that the compensation payable to directors as Board fees for the next year ending with the 2024 annual meeting of stockholders will be \$90,000 (\$40,000 in cash and \$50,000 in restricted stock). On October 30, 2023, in an effort to conserve cash of the Company, the Board approved the reallocation of \$20,000 in cash compensation to instead be reallocated to restricted stock thereby providing for \$20,000 in annual cash compensation and \$70,000 in restricted stock ("Director Compensation Reallocation"). In addition, effective September 6, 2023, the Board determined that additional chair fees and committee member fees would be paid in cash as follows:

	Chair	Member
Board	\$ 15,000*	
Audit Committee	\$ 8,000	\$ 5,000
Compensation Committee	\$ 6,000	\$ 5,000
Nominating and Corporate Governance Committee	\$ 4,000	\$ 4,000

*The Chairperson of the Board agreed to reduce his chair fee from \$25,000 to \$15,000 in fiscal year 2024 to help the Company conserve cash. On September 5, 2024, the Board agreed to reinstate the Chairperson's chair fee back to \$25,000.

Based on the reallocation of cash compensation to equity compensation, the Company made two restricted stock grants to the directors as part of their Board equity fees. On September 6, 2023, Mr. Holdsworth, Ms. Cefali, Mr. Cohenour (who resigned from the Board and all committees of the Board effective October 31, 2023), Mr. Garland, and Ms. Tidwell were each granted 13,333 shares of restricted stock (“Initial Director Grant”), which was determined by dividing the \$50,000 fee by the closing price of the Company’s common stock on the date of grant (\$3.75). The restricted stock fees for the Initial Director Grant vest on the earlier of (i) one year from the date of grant, or (ii) the Company’s next annual meeting of stockholders. On November 1, 2023, Mr. Holdsworth, Ms. Cefali, Mr. Garland, and Ms. Tidwell were each granted 6,756 shares of restricted stock (“Second Director Grant”), which was determined by dividing the amount of the reallocated \$20,000 fee by the closing price of the Company’s common stock on the date of grant (\$2.96). The restricted stock fees for the Second Director Grant vest in four equal installments beginning on January 31, 2024 and quarterly thereafter until fully vested.

DIRECTOR COMPENSATION FOR 2024

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards	All Other Compensation	Total
Sheryl Cefali	\$ 40,000	\$ 70,000	\$ -	\$ -	\$ 110,000
Gerald T. Garland	\$ 38,000	\$ 70,000	\$ -	\$ -	\$ 108,000
Mark K. Holdsworth	\$ 44,000	\$ 70,000	\$ -	\$ -	\$ 114,000
Kay L. Tidwell	\$ 33,000	\$ 70,000	\$ -	\$ -	\$ 103,000

- (1) On September 6, 2023, Mr. Holdsworth, Ms. Cefali, Mr. Garland, and Ms. Tidwell were each granted 13,333 shares of restricted stock (“Initial Director Grant”), which was determined by dividing the \$50,000 fee by the closing price of the Company’s common stock on the date of grant (\$3.75). The restricted stock fees for the Initial Director Grant vest on the earlier of (i) one year from the date of grant, or (ii) the Company’s next annual meeting of stockholders. On November 1, 2023, Mr. Holdsworth, Ms. Cefali, Mr. Garland, and Ms. Tidwell were each granted 6,756 shares of restricted stock (“Second Director Grant”), which was determined by dividing the amount of the reallocated \$20,000 fee by the closing price of the Company’s common stock on the date of grant (\$2.96). The restricted stock fees for the Second Director Grant vest in four equal installments beginning on January 31, 2024 and quarterly thereafter until fully vested.

On September 5, 2024, the Board determined that the compensation payable to directors as Board fees for the next year ending with the 2025 annual meeting of stockholders will be \$90,000 (\$40,000 in cash and \$50,000 in restricted stock). In addition, effective September 5, 2024, the Board determined that additional chair fees and committee member fees would be paid in cash as follows:

	Chair	Member
Board	\$ 25,000*	
Audit Committee	\$ 8,000	\$ 5,000
Compensation Committee	\$ 6,000	\$ 5,000
Nominating and Corporate Governance Committee	\$ 4,000	\$ 4,000

*The Board reinstated the chair fee for the Chairperson of the Board from \$15,000 back to \$25,000.

The restricted stock fees vest on the earlier of (i) one year from the date of grant, or (ii) the Company’s next annual meeting of stockholders. The number of restricted shares granted to each director was 13,476 determined by dividing the amount of the fee by the closing price of the Company’s common stock from the date of grant (\$3.71). Accordingly, on September 5, 2024, Mr. Holdsworth, Ms. Cefali, Mr. Garland, and Ms. Tidwell were each granted 13,476 shares of restricted stock. The cash fees vest in four equal quarterly installments paid in arrears commencing November 1, 2024.

Granting of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information

We do not grant equity awards in anticipation of the release of material nonpublic information that is likely to result in changes to the price of our common stock, and do not time the public release of such information based on award grant dates. During the last completed fiscal year, we have not made awards to any named executive officer during the period beginning four business days before and ending one business day after the filing of a period report on Form 10-Q or Form 10-K or the filing or furnishing of a current report on Form 8-K, and we have not timed the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company's Common Stock as of January 21, 2025 for: (i) each director; (ii) the Company's named executive officers; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than 5% of the Common Stock. As of January 21, 2025, there were 10,544,431 shares of Common Stock issued and outstanding. Except to the extent indicated in the footnotes to the following table, the person or entity listed has sole voting and dispositive power with respect to the shares that are deemed beneficially owned by the person or entity, subject to community property laws, where applicable. Unless otherwise indicated, the address for each listed beneficial owner is c/o RF Industries, Ltd., 16868 Via Del Campo Court, Suite 200, San Diego, CA 92127.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned (1)	Percentage Beneficially Owned
Mark K. Holdsworth	862,259 (2)	8.2%
Robert D. Dawson	520,419 (3)	4.8%
Peter Yin	232,726 (4)	2.2%
Gerald T. Garland	134,044	1.3%
Ray Bibisi	127,339 (5)	1.2%
Sheryl Cefali	72,753	*
Kay L. Tidwell	41,050	*
All Directors and Officers as a Group (7 Persons)	1,990,590 (6)	18.1%
Greater than 5% stockholders		
Punch & Associates Investment Management, Inc. 7701 France Ave. So., Suite 300 Edina, MN 55435	994,266 (7)	9.4%
Hytek International, Ltd 9642 Penshurst Trace Charlotte, North Carolina 28210	751,000 (8)	7.1%
Affiliates of THG Securities Fund, L.P. 140 S. Lake Ave., Suite 304 Pasadena, CA 91101	821,389 (2)	7.8%

* Less than 1%

- (1) Shares of common stock that could be acquired by a beneficial owner upon exercise of an option within 60 days from January 21, 2025 are considered outstanding for the purpose of computing the percentage of shares beneficially owned by such owner, but are not considered to be outstanding for any other purpose.

- (2) Mr. Holdsworth is the founder of The Holdsworth Group, LLC, which is a managing member of THG Securities Advisors, LLC (the “Manager”), the general partner and the investment manager of THG Securities Fund, L.P. (the “Fund”). Mr. Levenick is a member of the Manager, the general partner and the investment manager of the Fund. In such capacity, each of Messrs. Holdsworth and Levenick exercise voting and investment power over all of the shares held by the Fund and may be deemed to be a beneficial owner of all of these shares. The amount of beneficial shares owned in the table reflect the following:

(# of Shares)	Mark K. Holdsworth	Zachary Levenick	THG Securities Fund, L.P.
Sole voting power	78,662	12,550	-
Shared voting power	629,352	629,352	629,352
Sole investment power	78,662	12,550	-
Shared investment power	629,352	629,352	629,352
Information based solely on SEC Filing (Filing Date)	SC 13D/A (04/24/2023)	SC 13D/A (04/24/2023)	SC 13D/A (04/24/2023)

- (3) Includes 254,985 shares that Mr. Dawson has the right to acquire upon exercise of options.
- (4) Includes 127,782 shares that Mr. Yin has the right to acquire upon exercise of options.
- (5) Includes 89,371 shares that Mr. Bibisi has the right to acquire upon exercise of options.
- (6) Includes 472,138 shares that the directors and officers have the right to acquire upon exercise of options.
- (7) Based on a Schedule 13G/A filed with the SEC by Punch & Associates Investment Management, Inc. on February 14, 2024.
- (8) Based on the list of record holders maintained by the Company’s transfer agent and representation from Hytek International Ltd’s representatives.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of October 31, 2024 with respect to the shares of Company common stock that may be issued under the Company’s existing equity compensation plans:

Plan Category	A	B	C
	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options (\$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity compensation plans approved by security holders	874,816	5.10	1,299,269
Equity compensation plans not approved by security holders	-	-	-
Total	874,816	5.10	1,299,269

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

None.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees

The following is a summary of the fees billed to the Company by CohnReznick LLP, the Company’s independent registered public accounting firm, for professional services rendered related to the fiscal years ended October 31, 2024 and 2023:

Fee Category	2024	2023
Audit Fees	\$ 325,405	\$ 390,918
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total Fees	\$ 325,405	\$ 390,918

Audit Fees. Consists of fees billed for professional services rendered for the audit of the Company’s annual financial statements and review of the interim financial statements included in quarterly reports and services that are normally provided by CohnReznick LLP in connection with statutory and regulatory filings or engagements.

Audit-Related Fees. Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit and review of the Company's financial statements and are not reported under "Audit Fees." We did not incur such audit-related fees from CohnReznick LLP during fiscal 2024 and 2023.

Tax Fees. Includes fees associated with tax compliance at international locations, domestic and international tax advice and planning and assistance with tax audits and appeals.

All Other Fees. Includes the aggregate fees recognized for professional services provide by CohnReznick LLP, other than those services described above, including services related to other permissible advisory services.

Pre-Approval Policies and Procedures

The Audit Committee is required to review and approve the proposed retention of independent auditors to perform any proposed auditing and non-auditing services as outlined in its charter. The Audit Committee has not established policies and procedures separate from its charter concerning the pre-approval of auditing and non-auditing related services. As required by Section 10A of the Exchange Act, our Audit Committee has authorized all auditing and non-auditing services provided by CohnReznick LLP during fiscal 2024 and fiscal 2023 and the fees paid for such services.

ITEM 15. EXHIBITS

The Company's consolidated financial statements and related notes thereto are listed and included in this Annual Report on Form 10-K beginning on page F-1. The following exhibits are filed as part of this Annual Report:

- 3.1 [Amended and Restated Articles of Incorporation \(previously filed as an exhibit to the Company's Form 8-K, dated August 31, 2012, which exhibit is incorporated herein by reference\)](#)
- 3.2 [Amended and Restated Bylaws \(previously filed as an exhibit to the Company's Form 10-Q, for the quarterly period ended April 30, 2023, which exhibit is incorporated herein by reference\)](#)
- 4.1 [Description of Registrant's Securities \(as previously filed as an exhibit to the Company's Form 10-K for the year ended October 31, 2022, which exhibit is incorporated herein by reference\)](#)
- 10.1 [Single Tenant Commercial Lease, dated June 15, 2011, between K&K and RF Industries, Ltd. regarding the Company's lease in Yaphank, New York \(previously filed as an exhibit to the Company's Form 10-K for the year ended October 31, 2011, which exhibit is incorporated herein by reference\)](#)
- 10.2# [Form of 2010 Stock Incentive Plan \(previously filed as an exhibit to the Company's Registration Statement on Form S-8, filed on September 20, 2010, which exhibit is incorporated herein by reference\)](#)
- 10.3# [Form of Stock Option Agreement for the Company's 2010 Stock Incentive Plan \(previously filed as an exhibit to the Company's Registration Statement on Form S-8, filed on September 20, 2010, which exhibit is incorporated herein by reference\)](#)
- 10.4 [Stock Purchase Agreement, dated January 20, 2014, between RF Industries, Ltd. and Robert A. Portera \(previously filed as an exhibit to the Company's Form 8-K, dated January 21, 2015, which exhibit is incorporated herein by reference\)](#)
- 10.5 [Stock Purchase Agreement, dated June 5, 2015, between RF Industries, Ltd., Rel-Tech Electronics, Inc., and the Shareholders. \(previously filed as an exhibit to the Company's Form 8-K, dated June 5, 2015, which exhibit is incorporated herein by reference\)](#)
- 10.6 [Multi-Tenant Industrial Gross Lease, effective December 1, 2007, between Rel-Tech Electronics, Inc. and D'Amato Investments, LLC regarding the Company's lease in Milford, CT, as amended to date \(previously filed as an exhibit to the Company's Form 8-K, dated May 1, 2014, which exhibit is incorporated herein by reference\)](#)

- 10.7 [Amendment To Lease, by and between K & K Unlimited and Cables Unlimited, Inc., dated June 9, 2017 \(previously filed as an exhibit to the Company's Form 8-K, dated June 9, 2017, which exhibit is incorporated herein by reference\)](#)
- 10.8 [Lease Agreement by and between D'Amato Investments, LLC and Rel-Tech Electronics, Inc., dated July 25, 2017 \(previously filed as an exhibit to the Company's Form 8-K, dated July 28, 2017, which exhibit is incorporated herein by reference\)](#)
- 10.9# [Form of Indemnification Agreement \(previously filed as an exhibit to the Company's Form 8-K, dated September 12, 2017, which is incorporated herein by reference\)](#)
- 10.10 [Amendment To Lease, by and between K & K Unlimited and Cables Unlimited, Inc., dated June 6, 2018 \(previously filed as an exhibit to the Company's Form 8-K, dated June 6, 2018, which exhibit is incorporated herein by reference\)](#)
- 10.11 [Stock Purchase Agreement between RF Industries, Ltd. and RAP Acquisition Inc., dated October 31, 2018 \(previously filed as an exhibit to the Company's Form 8-K, dated October 31, 2018, which exhibit is incorporated herein by reference\)](#)
- 10.12# [Option Agreement Amendment - 2010 Stock Incentive Plan \(previously filed as an exhibit to the Company's Form 10-K for the year ended October 31, 2018, which exhibit is incorporated herein by reference\)](#)
- 10.13 [Stock Purchase Agreement between RF Industries, Ltd., DRC Technologies, Inc. and Stockholders of DRC Technologies, Inc., dated November 4, 2019 \(previously filed as an exhibit to the Company's Form 8-K, dated November 5, 2019, which exhibit is incorporated herein by reference\)](#)
- 10.14# [2020 Equity Incentive Plan \(previously filed as an exhibit to the Company's Registration Statement on Form S-8, filed on September 14, 2020, which exhibit is incorporated herein by reference\)](#)
- 10.15 [Amendment To Lease, by and between K&K Unlimited and Cables Unlimited, Inc., dated June 30, 2021 \(previously filed as an exhibit to the Company's Form 8-K, filed on July 2, 2021, which exhibit is incorporated herein by reference\)](#)
- 10.16# [Employment Agreement, dated July 16, 2021, by and between RF Industries, Ltd. and Robert D. Dawson \(previously filed as an exhibit to the Company's Form 8-K, dated July 20, 2021, which exhibit is incorporated herein by reference\)](#)
- 10.17 [Membership Interest Purchase Agreement dated as of December 16, 2021 by and among RF Industries, Ltd., Wireless Telecom Group, Inc., and Microlab/FXR LLC \(previously filed as an exhibit to the Company's Form 8-K, filed December 17, 2021, which exhibit is incorporated herein by reference.\)](#)

- 10.18 [AIRCRE Standard Industrial/Commercial Single-Tenant Lease – Net by and between RF Industries, Ltd. and Sorrento West Properties, Inc., dated February 1, 2022, together with addenda thereto \(previously filed as an exhibit to the Company’s Form 8-K, dated February 7, 2022, which exhibit is incorporated herein by reference\)](#)
- 10.19 [Loan Agreement dated as of February 25, 2022, between Bank of America, N.A. and RF Industries, Ltd. \(previously filed as an exhibit to the Company’s Form 8-K, dated March 2, 2022, which exhibit is incorporated herein by reference\)](#)
- 10.20 [Lease by and between RF Industries, Ltd. and Monarch Owner LLC, dated October 19, 2022, together with addenda thereto, for the property at 300 Interpace Parkway, Suite B100, Parsippany, New Jersey 07054 \(previously filed as an exhibit to the Company’s Form 8-K, dated October 20, 2022, which exhibit is incorporated herein by reference\)](#)
- 10.21 [Lease by and between RF Industries, Ltd. and Monarch Owner LLC, dated October 19, 2022, together with addenda thereto, for the property at 300 Interpace Parkway, Suite B200, Parsippany, New Jersey 07054 \(previously filed as an exhibit to the Company’s Form 8-K, dated October 20, 2022, which exhibit is incorporated herein by reference\)](#)
- 10.22 [First Amendment to Lease, dated October 31, 2022 by and between RF Industries, Ltd. and Sorrento West Properties, Inc. \(previously filed as an exhibit to the Company’s Form 10-K for the year ended October 31, 2022, which exhibit is incorporated herein by reference\)](#)
- 10.23 [Third Amendment to Lease, dated July 11, 2023, by and between Sorrento West Properties, Inc. and RF Industries, Ltd. \(previously filed as an exhibit to the Company’s Form 8-K, dated July 13, 2023, which exhibit is incorporated herein by reference\)](#)
- 10.24* [Managed Client Agreement, dated June 27, 2023, between RF Industries, Ltd. and RGN-MCA San Diego II, LLC \(previously filed as an exhibit to the Company’s Form 10-K for the year ended October 31, 2023, which exhibit is incorporated herein by reference\)](#)
- 10.25 [Amendment No. 1 and Waiver to Loan Agreement, dated September 12, 2023, between Bank of America, N.A. and RF Industries, Ltd. \(previously filed as an exhibit to the Company’s Form 10-Q for the quarterly period ended July 31, 2023, which exhibit is incorporated herein by reference\)](#)
- 10.26 [Amendment No. 2 To Loan Agreement, dated January 26, 2024, between Bank of America, N.A. and RF Industries, Ltd. \(previously filed as an exhibit to the Company’s Form 10-K for the year ended October 31, 2024, which exhibit is incorporated herein by reference\)](#)
- 10.27 [Amendment No. 3 to Loan Agreement, dated February 29, 2024, between Bank of America, N.A. and RF Industries, Ltd. \(previously filed as an exhibit to the Company’s Form 8-K, dated March 1, 2024, which exhibit is incorporated herein by reference\)](#)
- 10.28 [Loan and Security Agreement, dated March 15, 2024, by and among RF Industries, Ltd., its subsidiaries, the lenders and Eclipse Business Capital LLC \(previously filed as an exhibit to the Company’s Form 10-Q for the quarterly period ended January 31, 2024, which exhibit is incorporated herein by reference\)](#)
- 10.29 [First Amendment to Loan and Security Agreement, dated June 14, 2024, by and among RF Industries, Ltd., its subsidiaries, the lenders and Eclipse Business Capital LLC \(previously filed as an exhibit to the Company’s Form 10-Q for the quarterly period ended July 31, 2024, which exhibit is incorporated herein by reference\)](#)
- 10.30# [Amendment No. 1 to RF Industries, Ltd. 2020 Equity Incentive Plan \(Amended\) \(previously filed as an exhibit to the Company’s Registration Statement on Form S-8, filed on October 24, 2024, which exhibit is incorporated herein by reference\)](#)
- 19 [Insider Trading Policy](#)
- 21.1 [List of Subsidiaries](#)
- 23.1 [Consent of Independent Registered Public Accounting Firm CohnReznick LLP](#)
- 31.1 [Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1** [Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350](#)
- 32.2** [Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350](#)
- 97 [RF Industries, Ltd. Policy for Recovery of Erroneously Awarded Incentive Compensation \(previously filed as an exhibit to the Company’s Form 10-K for the year ended October 31, 2023, which exhibit is incorporated herein by reference\)](#)

EX-101.INS Inline XBRL Instance Document

EX-101.SCH Inline XBRL Taxonomy Extension Schema

EX-101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase

EX-101.DEF Inline XBRL Taxonomy Extension Definition Linkbase

EX-101.LAB Inline XBRL Taxonomy Extension Label Linkbase

EX-101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase

EX-104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 attachments)

Indicates a management contract or compensatory plan or arrangement.

* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

** This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that RF Industries, Ltd. specifically incorporates it by reference.

Stockholders of the Company may obtain a copy of any exhibit referenced in this Annual Report on Form 10-K by writing to: Secretary, RF Industries, Ltd., 16868 Via Del Campo Court, Suite 200, San Diego, CA 92127. The written request must specify the stockholder's good faith representation that such stockholder is a stockholder of the Company.

ITEM 16. FORM 10-K SUMMARY

We may voluntarily include a summary of information required by Form 10-K under this Item 16. We have elected not to include such summary information.

RF INDUSTRIES, LTD. AND SUBSIDIARIES

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and
Stockholders of RF Industries, Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of RF Industries, Ltd. and Subsidiaries (the "Company") as of October 31, 2024 and 2023, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended October 31, 2024, and the related consolidated notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended October 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. 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 audits 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 consolidated 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 audits 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 audits included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide 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 consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) related to accounts or disclosures that are material to the consolidated 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 consolidated 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.

Evaluation of Goodwill impairment for the Microlab reporting unit (Note 1 to the Consolidated Financial Statements)

As disclosed in the consolidated financial statements, the Company has goodwill of \$8.1 million as of October 31, 2024, and approximately 69.5% of goodwill resides in the Microlab reporting unit. At October 31, 2024, the Company performed a quantitative goodwill impairment assessment on its Microlab reporting unit by comparing the fair value of the reporting unit to its carrying amount, including goodwill. The Company estimated the fair value of this reporting unit using a combination of a discounted cash flows analysis and market-based valuation methodologies.

Significant judgment is exercised by the Company in estimating the fair value of the Microlab reporting unit for purposes of the October 31, 2024 goodwill impairment test, specifically:

- The fair value estimate of each reporting unit is sensitive to assumptions such as the discount rate, revenue and expense growth rates, and the forecasted cash flow terminal growth rate.
- These assumptions are affected by such factors as expected future market or economic conditions.

Given these factors, auditing management's quantitative impairment tests for goodwill was challenging, subjective, and complex and required a high degree of auditor judgment.

How Our Audit Addressed the Critical Audit Matter

Our audit procedures related to the fair value of goodwill included the following procedures:

- We gained an understanding of and evaluated the design and implementation of the Company's internal controls that address the risk of material misstatement related to goodwill impairment;
- We gained an understanding of the process to estimate future cashflows, including methods, data, and significant assumptions used, in developing the discounted cashflow analysis as well as tested the reasonableness of the underlying data used by the Company in its forecasts;
- We evaluated management's significant accounting policies related to impairment of goodwill;
- We evaluated management's forecasted revenues and cash flows by comparing the forecasts to the underlying business strategies and growth plans; and
- With the assistance of our firm's valuation professionals with specialized skills and knowledge in valuation methods and models, we tested the Company's discounted cash flow models, including certain assumptions including the terminal value and discount rates.

/s/ CohnReznick LLP

We are uncertain as to the year CohnReznick LLP became the Company's auditor as 1995 is the earliest year of which we have knowledge.

Tysons, Virginia
January 21, 2025

RF INDUSTRIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
OCTOBER 31, 2024 AND 2023
(In thousands, except share and per share amounts)

	<u>October 31,</u> <u>2024</u>	<u>October 31,</u> <u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 839	\$ 4,897
Trade accounts receivable, net of allowance for credit losses of \$159 and \$244, respectively	12,119	10,277
Inventories	14,725	18,730
Other current assets	1,430	2,136
TOTAL CURRENT ASSETS	<u>29,113</u>	<u>36,040</u>
Property and equipment:		
Equipment and tooling	4,825	4,796
Furniture and office equipment	6,300	5,631
	<u>11,125</u>	<u>10,427</u>
Less accumulated depreciation	6,312	5,503
Total property and equipment, net	<u>4,813</u>	<u>4,924</u>
Operating lease right-of-use assets, net	15,265	15,689
Goodwill	8,085	8,085
Amortizable intangible assets, net	11,908	13,595
Non-amortizable intangible assets	1,174	1,174
Deferred tax assets	-	2,494
Other assets	688	277
TOTAL ASSETS	<u>\$ 71,046</u>	<u>\$ 82,278</u>

RF INDUSTRIES, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
OCTOBER 31, 2024 AND 2023
(In thousands, except share and per share amounts)

	<u>October 31,</u> <u>2024</u>	<u>October 31,</u> <u>2023</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 3,798	\$ 3,201
Accrued expenses	4,247	4,572
Line of credit	8,197	1,000
Current portion of Term Loan	-	2,424
Current portion of operating lease liabilities	1,848	1,314
TOTAL CURRENT LIABILITIES	<u>18,090</u>	<u>12,511</u>
Operating lease liabilities	18,680	19,284
Term Loan, net of debt issuance cost	-	10,721
Deferred tax liabilities	210	-
TOTAL LIABILITIES	<u>36,980</u>	<u>42,516</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock - authorized 20,000,000 shares of \$0.01 par value; 10,544,431 and 10,343,223 shares issued and outstanding at October 31, 2024 and 2023, respectively	106	104
Additional paid-in capital	26,988	26,087
Retained earnings	6,972	13,571
TOTAL STOCKHOLDERS' EQUITY	<u>34,066</u>	<u>39,762</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 71,046</u>	<u>\$ 82,278</u>

See Notes to Consolidated Financial Statements.

RF INDUSTRIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED OCTOBER 31, 2024 AND 2023
(In thousands, except share and per share amounts)

	Twelve Months Ended October 31,	
	2024	2023
Net sales	\$ 64,857	\$ 72,168
Cost of sales	45,986	52,631
Gross profit	<u>18,871</u>	<u>19,537</u>
Operating expenses:		
Engineering	2,782	3,151
Selling and general	18,912	20,183
Total operating expenses	<u>21,694</u>	<u>23,334</u>
Operating loss	(2,823)	(3,797)
Other expense	<u>(980)</u>	<u>(453)</u>
Loss before provision (benefit) for income taxes	(3,803)	(4,250)
Provision (benefit) for income taxes	<u>2,796</u>	<u>(1,172)</u>
Consolidated net loss	<u>\$ (6,599)</u>	<u>\$ (3,078)</u>
Loss per share:		
Basic	<u>\$ (0.63)</u>	<u>\$ (0.30)</u>
Diluted	<u>\$ (0.63)</u>	<u>\$ (0.30)</u>
Weighted average shares outstanding:		
Basic	<u>10,481,835</u>	<u>10,283,449</u>
Diluted	<u>10,481,835</u>	<u>10,283,449</u>

See Notes to Consolidated Financial Statements.

RF INDUSTRIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED OCTOBER 31, 2024 AND 2023
(In thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total
	Shares	Amount			
Balance, November 1, 2022	10,193,287	\$ 102	\$ 25,118	\$ 16,649	\$ 41,869
Exercise of stock options	45,000	-	85	-	85
Stock-based compensation expense	-	-	898	-	898
Issuance of restricted stock	107,424	2	(2)	-	-
Tax withholding related to vesting of restricted stock	(2,488)	-	(12)	-	(12)
Consolidated net loss	-	-	-	(3,078)	(3,078)
Balance, October 31, 2023	10,343,223	104	26,087	13,571	39,762
Stock-based compensation expense	-	-	924	-	924
Issuance of restricted stock	206,229	2	(2)	-	-
Tax withholding related to vesting of restricted stock	(5,021)	-	(21)	-	(21)
Consolidated net loss	-	-	-	(6,599)	(6,599)
Balance, October 31, 2024	10,544,431	\$ 106	\$ 26,988	\$ 6,972	\$ 34,066

See Notes to Consolidated Financial Statements.

RF INDUSTRIES, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2024 AND 2023
(In thousands)

	Twelve Months Ended October 31,	
	2024	2023
OPERATING ACTIVITIES:		
Consolidated net loss	\$ (6,599)	\$ (3,078)
Adjustments to reconcile consolidated net loss to net cash provided by operating activities:		
Bad debt expense	5	102
Depreciation and amortization	2,536	2,433
Stock-based compensation expense	924	898
Amortization of debt issuance cost	113	9
Tax payments related to shares cancelled for vested restricted stock awards	(21)	(12)
Deferred income taxes	2,703	(677)
Extinguishment of debt issuance cost	14	-
Changes in operating assets and liabilities:		
Trade accounts receivable	(1,847)	4,433
Inventories	4,005	2,323
Other current assets	706	3,713
Right-of-use assets	355	1,477
Other long-term assets	(1)	18
Accounts payable	597	(2,451)
Accrued expenses	(325)	(4,244)
Income taxes payable	-	(759)
Net cash provided by operating activities	<u>3,165</u>	<u>4,185</u>
INVESTING ACTIVITIES:		
Capital expenditures	(738)	(2,483)
Net cash used in investing activities	<u>(738)</u>	<u>(2,483)</u>
FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	-	87
Debt issuance cost	(520)	-
Line of credit payments	(44,256)	(1,000)
Line of credit draws	51,453	2,000
Term Loan payments	(13,162)	(2,424)
Net cash used in financing activities	<u>(6,485)</u>	<u>(1,337)</u>
Net decrease in cash and cash equivalents	(4,058)	365
Cash and cash equivalents, beginning of period	4,897	4,532
Cash and cash equivalents, end of period	<u>\$ 839</u>	<u>\$ 4,897</u>
Supplemental cash flow information – income taxes paid	<u>\$ 64</u>	<u>\$ 642</u>
Supplemental cash flow information – interest paid	<u>\$ 883</u>	<u>\$ 529</u>

See Notes to Consolidated Financial Statements.

RF INDUSTRIES, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Business activities and summary of significant accounting policies

Business activities

RF Industries, Ltd., together with its six wholly-owned subsidiaries (collectively, hereinafter the “Company”, “we”, “us”, or “our”), primarily engages in the design, manufacture, and marketing of interconnect products and systems, including coaxial and specialty cables, fiber optic cables and connectors, and electrical and electronic specialty cables. For internal operating and reporting purposes, and for marketing purposes, as of the end of the fiscal year ended October 31, 2024, we classified our operations into the following six divisions/subsidiaries: (i) The RF Connector and Cable Assembly division designs, manufactures and distributes coaxial connectors and cable assemblies that are integrated with coaxial connectors; (ii) Cables Unlimited, Inc., the subsidiary that manufactures custom and standard cable assemblies, complex hybrid fiber optic power solution cables, adapters, and electromechanical wiring harnesses for communication, computer, LAN, automotive and medical equipment; (iii) Rel-Tech Electronics, Inc., the subsidiary that designs and manufactures cable assemblies and wiring harnesses for blue chip industrial, oilfield, instrumentation and military customers; (iv) C Enterprises, Inc., the subsidiary that designs and manufactures quality connectivity solutions to telecommunications and data communications distributors; (v) Schroff Technologies International, Ltd., the subsidiary that manufactures and markets intelligent thermal control systems used by telecommunications companies across the U.S. and Canada, and shrouds for small cell integration and installation, and (vi) Microlab, the subsidiary that designs and manufactures high-performance RF and Microwave products enabling signal distribution and deployment of in-building DAS (distributed antenna systems), wireless base stations and small cell networks. The Cables Unlimited and C Enterprises divisions are Corning Cables Systems CAH ConnectionsSM Gold Program members that are authorized to manufacture fiber optic cable assemblies that are backed by Corning Cables Systems’ extended warranty.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of RF Industries, Ltd., Cables Unlimited, Inc. (“Cables Unlimited”), Rel-Tech Electronics, Inc. (“Rel-Tech”), C Enterprises, Inc. (“C Enterprises”), Schroff Technologies International, Ltd. (“Schrofftech”), and Microlab/FXR LLC (“Microlab”), wholly-owned subsidiaries of RF Industries, Ltd. All intercompany balances and transactions have been eliminated in consolidation.

Cash equivalents

The Company considers all highly-liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Revenue recognition

On November 1, 2018, we adopted Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, (“ASC 606”) applying the modified retrospective method. The core principle of ASC 606 is that revenue should be recorded in an amount that reflects the consideration to which we expect to be entitled in exchange for goods or services promised to customers. Under ASC 606, we follow a five-step model to: (1) identify the contract with our customer; (2) identify our performance obligations in our contract; (3) determine the transaction price for our contract; (4) allocate the transaction price to our performance obligations; and (5) recognize revenue when (or as) each performance obligation is satisfied. In accordance with this accounting principle, we recognize revenue using the output method at a point in time when finished goods have been transferred to the customer and there are no other obligations to customers after the title of the goods have transferred. Title of goods are transferred based on shipping terms for each customer – for shipments with terms of FOB Shipping Point, title is transferred upon shipment; for shipments with terms of FOB Destination, title is transferred upon delivery.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined using the weighted average cost of accounting. Cost includes materials, labor, and manufacturing overhead related to the purchase and production of inventories. We regularly review inventory quantities on hand, future purchase commitments with our suppliers, and the estimated utility of our inventory. If our review indicates a reduction in utility below carrying value due to damage, physical deterioration, obsolescence, changes in price levels, or other causes, we reduce our inventory to a new cost basis through a charge to cost of sales in the period in which it occurs. The determination of market value and the estimated volume of demand used in the lower of cost or market analysis requires significant judgment.

Property and equipment

Equipment, tooling and furniture are recorded at cost and depreciated over their estimated useful lives (generally three to five years) using the straight-line method. Expenditures for repairs and maintenance are charged to operations in the period incurred.

Goodwill

Goodwill is recorded when the purchase price paid for an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired. Goodwill is not amortized, but is subject to impairment analysis at least once annually, which we perform in October, or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit’s carrying amount is greater than its fair value.

We assess whether a goodwill impairment exists using both qualitative and quantitative assessments at the reporting level. Our qualitative assessment involves determining whether events or circumstances exist that indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If based on this qualitative assessment we determine it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, we will not perform a quantitative assessment.

Under the quantitative assessment, the goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss should be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

We test our goodwill, trademarks and other indefinite-lived assets for impairment at least annually or more frequently if events or changes in circumstances indicate these assets may be impaired. These events or circumstances require significant judgment and could include a significant change in the business climate, legal factors, operating performance indicators, competition and sale or disposition of all or a portion of a division. This analysis requires significant judgments, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, estimation of the useful life over which cash flows will occur, and determination of our weighted average cost of capital.

As of October 31, 2024 and 2023, we performed a quantitative impairment test analysis for the Microlab reporting unit.

No goodwill impairment was recorded in the years ended October 31, 2024 and 2023.

Goodwill by reporting unit and reportable segment as of October 31, 2024 and 2023, is as follows:

Reporting Unit	Reportable Segment	Amount
Cables Unlimited	Custom Cabling	\$ 382,685
Rel-Tech	Custom Cabling	832,556
Schrofftech	Custom Cabling	1,127,189
RF Connector and Cable Assembly	RF Connector	125,000
Microlab	RF Connector	5,617,139
		<u>\$ 8,084,569</u>

Long-lived assets

We assess property, plant and equipment and intangible assets, which are considered definite-lived assets, for impairment. Definite-lived assets are reviewed when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We measure recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value.

We amortize our intangible assets with definite useful lives over their estimated useful lives and review these assets for impairment whenever there are impairment indicators.

We test our goodwill, trademarks and other indefinite-lived assets for impairment at least annually or more frequently if events or changes in circumstances indicate these assets may be impaired. These events or circumstances require significant judgment and could include a significant change in the business climate, legal factors, operating performance indicators, competition and sale or disposition of all or a portion of a division. This analysis requires significant judgments, including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for our business, estimation of the useful life over which cash flows will occur, and determination of our weighted average cost of capital.

As of October 31, 2024 and as of April 30, 2024, we performed an impairment test analysis for the Microlab goodwill reporting unit, as of October 31, 2023, we performed an impairment test analysis for the Microlab reporting unit and as of July 31, 2023, we performed an impairment test analysis for the Schrofftech reporting unit. As noted above, we test our goodwill, trademarks, and indefinite-lived intangible assets for impairment at least annually, which we have traditionally done in the fourth quarter, or on an interim basis when events or changes in circumstances suggest these assets may be impaired. Impairment is measured as the excess of the carrying value of the goodwill or indefinite-lived intangible asset over its fair value.

Impairment may result from a number of factors, including performance deterioration, negative cash flows from operations and/or changes in anticipated future cash flows, changes in business plans, adverse economic or market conditions, or other factors beyond our control. The amount of any impairment must be expensed as a charge to operations. Microlab's operating results were below forecast for the fiscal year ended October 31, 2024 and the three and six-months ended April 30, 2024 triggered an impairment analysis. Microlab's operating results were below forecast for the fiscal year ended October 31, 2023 and, Schrofftech's operating results were below forecast for the three and nine-month ended July 31, 2023 triggered impairment analyses.

As of October 31, 2024, Microlab has a carrying value of \$19.8 million, which includes \$5.6 million in goodwill and \$10.3 million in net amortizable intangible assets. The analyses performed included a blend of the income approach (discounted cash flow method) and market approach (guideline public company method) to reach an estimate of Microlab reporting unit fair value of \$21.6 which is in excess of the reporting unit's carrying amount.

The analyses performed in blending the income approach and the market approach incorporates several significant judgments and assumptions about projected revenue and expenses growth, future operating margins, discount rates and the selection of guideline public companies. There are inherent uncertainties related to these assumptions and our judgment in applying them to the impairment analysis. Changes in certain events or circumstances could result in changes to our estimated fair values, and may result in future write-downs to the carrying values of these assets. Impairment charges could adversely affect our financial results, financial ratios and could limit our ability to obtain financing in the future.

No impairment was recorded for the years ended October 31, 2024 or 2023.

Fair value measurement

We measure at fair value certain financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs have created the following fair-value hierarchy:

Level 1— Quoted prices for identical instruments in active markets;

Level 2— Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3— Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As of October 31, 2024 and 2023, the carrying amounts reflected in the accompanying consolidated balance sheets for cash and cash equivalents, accounts receivable, and accounts payable approximated their carrying value due to their short-term nature.

Intangible assets

Intangible assets consist of the following as of October 31, 2024 and 2023 (in thousands):

	2024	2023
Amortizable intangible assets:		
Non-compete agreement (estimated life five years)	\$ 423	\$ 423
Accumulated amortization	(423)	(378)
	-	45
Customer relationships (estimated lives 7 - 15 years)	6,058	6,058
Accumulated amortization	(3,848)	(3,461)
	2,210	2,597
Backlog (estimated life one - two years)	327	327
Accumulated amortization	(327)	(327)
	-	-
Patents (estimated life 10 - 14 years)	368	368
Accumulated amortization	(208)	(176)
	160	192
Tradename (estimated life 15 years)	1,700	1,700
Accumulated amortization	(302)	(189)
	1,398	1,511
Proprietary technology (estimated life 10 years)	11,100	11,100
Accumulated amortization	(2,960)	(1,850)
	8,140	9,250
Totals	\$ 11,908	\$ 13,595
Non-amortizable intangible assets:		
Trademarks	\$ 1,174	\$ 1,174

Amortization expense was \$1,688,000 and \$1,701,000 for the years ended October 31, 2024 and 2023, respectively. The weighted-average amortization period for the amortizable intangible assets is 7.62 years.

There was no impairment to trademarks for the years ended October 31, 2024 and 2023.

Estimated amortization expense related to finite-lived intangible assets is as follows (in thousands):

Year ending October 31,	Amount
2025	\$ 1,643
2026	1,643
2027	1,643
2028	1,643
2029	1,639
Thereafter	3,697
Total	\$ 11,908

Advertising

We expense the cost of advertising and promotions as incurred. Advertising costs charged to operations were approximately \$361,000 and \$76,000 in 2024 and 2023, respectively.

Research and development

Research and development costs are expensed as incurred. Our research and development expenses relate to engineering activities, which consist of the design and development of new products for specific customers, as well as the design and engineering of new or redesigned products for the industry in general. During the years ended October 31, 2024 and 2023, we recognized \$2,782,000 and \$3,151,000 in engineering expenses, respectively.

Income taxes

We account for income taxes under the asset and liability method, based on the income tax laws and rates in the jurisdictions in which operations are conducted and income is earned. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Developing the provision (benefit) for income taxes requires significant judgment and expertise in federal, international and state income tax laws, regulations and strategies, including the determination of deferred tax assets and liabilities and, if necessary, any valuation allowances that may be required for deferred tax assets. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Management's judgments and tax strategies are subject to audit by various taxing authorities.

We have adopted the provisions of ASC 740-10, which clarifies the accounting for uncertain tax positions. ASC 740-10 requires that we recognize the benefit of tax positions taken or expected to be taken in its tax returns in the consolidated financial statements when it is more likely than not that the position will be sustained upon examination by authorities. We recognize interest and penalties related to certain uncertain tax positions as a component of income tax expense and the accrued interest and penalties are included in deferred and income taxes payable in our consolidated balance sheets. See Note 7 to the consolidated financial statements included in this report for more information on the Company's accounting for uncertain tax positions.

Stock options

For stock option grants to employees, we recognize compensation expense based on the estimated fair value of the options at the date of grant. Stock-based employee compensation expense is recognized on a straight-line basis over the requisite service period. We issue previously unissued common shares upon the exercise of stock options.

For the fiscal years ended October 31, 2024 and 2023, charges related to stock-based compensation amounted to approximately \$924,000 and \$898,000, respectively, and is classified in selling and general expense.

Earnings per share

Basic earnings per share is calculated by dividing net (loss) income applicable to common stockholders by the weighted average number of common shares outstanding during the period. The calculation of diluted earnings per share is similar to that of basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if all potentially dilutive common shares, principally those issuable upon the exercise of stock options, were issued and the treasury stock method had been applied during the period. The greatest number of shares potentially issuable upon the exercise of stock options in any period for the years ended October 31, 2024 and 2023, that were not included in the computation because they were anti-dilutive, totaled 874,816 and 811,135, respectively.

The following table summarizes the computation of basic and diluted earnings per share:

	2024	2023
Numerators:		
Consolidated net loss (A)	\$ (6,599,000)	\$ (3,078,000)
Denominators:		
Weighted average shares outstanding for basic earnings per share (B)	10,481,835	10,283,449
Add effects of potentially dilutive securities - assumed exercise of stock options	-	-
Weighted average shares outstanding for diluted earnings per share (C)	10,481,835	10,283,449
Basic loss per share (A)/(B)	\$ (0.63)	\$ (0.30)
Diluted loss per share (A)/(C)	\$ (0.63)	\$ (0.30)

Recent accounting standards

Recently issued accounting pronouncements adopted:

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2016-13, *Financial Instruments—Credit Losses*, which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. The guidance is effective for fiscal years beginning after December 15, 2019. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326)*, which pushes back the effective date for public business entities that are smaller reporting companies, as defined by the SEC, to fiscal years beginning after December 15, 2022. The guidance was effective for the Company beginning on November 1, 2023 and the adoption of this standard had no material impact on the Company’s condensed consolidated financial statements or related disclosures.

Recently issued accounting pronouncements not yet adopted:

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for our fiscal year ending October 31, 2025, and for interim periods within our fiscal year ending October 31, 2026, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, to expand the disclosure requirements for income taxes, specifically related to the effective tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for our fiscal year ending October 31, 2026, with early adoption permitted. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

Note 2 – Concentrations of credit risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. We maintain our cash and cash equivalents with high-credit quality financial institutions. At October 31, 2024, we had cash and cash equivalent balances in excess of federally insured limits in the amount of approximately \$668,000.

Sales from each customer that were 10% or greater of net sales were as follows:

	October 31,	
	2024	2023
Wireless provider	*	10%
Distributor A	*	10%

* Less than 10%

For the year ended October 31, 2024, a wireless carrier customer and a distributor customer both accounted for less than 10% of total sales, and approximately 15% and 10% of the total net accounts receivable balance, respectively. For the year ended October 31, 2023, a different wireless carrier customer accounted for approximately 10% of total sales and had no accounts receivable. The same distributor customer accounted for less than 10% of sales and approximately 10% of total net accounts receivable, while another distributor customer accounted for approximately 10% of total sales and for 11% of the total net accounts receivable balance. Although the distributors have been on-going major customers of the Company and the wireless carrier is a newer customer to the Company, the written agreements with these customers do not have any minimum purchase obligations and they could stop buying our products at any time and for any reason. A reduction, delay, or cancellation of orders from these customers or the loss of these customers could significantly reduce our future revenues and profits.

Note 3 – Inventories and major vendors

Inventories, consisting of materials, labor and manufacturing overhead, are stated at the lower of cost or net realizable value. Cost has been determined using the weighted average cost method. Inventories consist of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Raw materials and supplies	\$ 10,886	\$ 12,957
Work in process	530	439
Finished goods	<u>3,309</u>	<u>5,334</u>
Totals	<u>\$ 14,725</u>	<u>\$ 18,730</u>

No vendors accounted for 10% of inventory purchases during the fiscal year ended October 31, 2024, and one vendor accounted for 15% of inventory purchases for the fiscal year ended October 31, 2023. We have arrangements with our vendors to purchase products based on purchase orders that we periodically issue.

Note 4 – Other current assets

Other current assets consist of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Prepaid taxes	\$ 262	\$ 642
Prepaid expense	699	953
Deposits	329	374
Other	<u>140</u>	<u>167</u>
Totals	<u>\$ 1,430</u>	<u>\$ 2,136</u>

Note 5 – Accrued expenses and other long-term liabilities

Accrued expenses consist of the following (in thousands):

	<u>2024</u>	<u>2023</u>
Wages payable	\$ 2,357	\$ 2,461
Accrued receipts	762	1,131
Other accrued expenses	<u>1,128</u>	<u>980</u>
Totals	<u>\$ 4,247</u>	<u>\$ 4,572</u>

Accrued receipts represent purchased inventory for which invoices have not been received.

Note 6 – Segment information

We aggregate operating divisions into two reporting segments that have similar economic characteristics primarily in the following areas: (1) the nature of the product and services; (2) the nature of the production process; (3) the type or class of customer for their products and services; (4) the methods used to distribute their products or services; and (5) if applicable, the nature of the regulatory environment. Based upon this evaluation, as of October 31, 2024, we had two reportable segments – RF Connector and Cable Assembly (“RF Connector”) segment and Custom Cabling Manufacturing and Assembly (“Custom Cabling”) segment.

On August 1, 2023, C Enterprises moved and transitioned its physical operations into the RF Connector office in San Diego, CA. Given the synergies in consolidating both the operating divisions into one building for purposes of management and resource allocation, C Enterprises has now been included in the RF Connector segment. Further, since the acquisition of C Enterprises in 2019, the customer base for the division has shifted more towards distribution as opposed to direct to end customer which is more aligned with the RF Connector segment. The segment change of including C Enterprise as part of the RF Connector segment was made retroactive to the beginning of our fiscal year starting November 1, 2022 and reclassified for fiscal 2022 for comparative purposes. Prior to the transition, C Enterprises was included in the Custom Cabling segment.

The RF Connector segment consists of three divisions and the Custom Cabling segment consists of three divisions. While each segment has similar products and services, there was little overlapping of these services to their customer base. The biggest difference in our reporting segments is in the channels of sales: sales of product and services for the RF Connector segment were primarily through the distribution channel, while the Custom Cabling segment sales were through a combination of distribution and direct to the end customer.

Management identifies segments based on strategic business units that are, in turn, based along market lines. These strategic business units offer products and services to different markets in accordance with their customer base and product usage. For segment reporting purposes, the RF Connector, C Enterprises and Microlab divisions constitutes the RF Connector segment, and the Cables Unlimited, Rel-Tech, and Schrofftech divisions constitute the Custom Cabling segment.

As reviewed by our chief operating decision maker, we evaluate the performance of each reporting segment based on income or loss before income taxes. We charge depreciation and amortization directly to each division within the segment. Accounts receivable, inventory, property and equipment, right-of-use assets, goodwill and intangible assets are the only assets identified by segment. Except as discussed above, the accounting policies for segment reporting are the same for the Company as a whole.

All of our operations are conducted in the United States; however, we derive a portion of our revenue from export sales. We attribute sales to geographic areas based on the location of the customers. The following table presents the sales by geographic area for the years ended October 31, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
United States	\$ 58,843	\$ 65,781
Foreign Countries:		
Canada	3,825	2,183
Italy	248	1,802
China	531	310
United Kingdom	523	393
All Other	887	1,699
	<u>6,014</u>	<u>6,387</u>
Totals	<u>\$ 64,857</u>	<u>\$ 72,168</u>

Net sales, income (loss) before provision (benefit) for income taxes and other related segment information for the years ended October 31, 2024 and 2023 are as follows (in thousands):

	RF Connector and Cable Assembly	Custom Cabling Manufacturing and Assembly	Corporate	Total
2024				
Net sales	\$ 37,871	\$ 26,986	\$ -	\$ 64,857
(Loss) income before provision (benefit) from income taxes	(3,720)	1,097	(1,180)	(3,803)
Depreciation and amortization	2,132	404	-	2,536
Total assets	47,537	20,552	2,957	71,046
Expenditures for Segment Assets	704	34	-	738
2023				
Net sales	\$ 45,941	\$ 26,227	\$ -	\$ 72,168
Loss before benefit from income taxes	(1,463)	(1,479)	(1,307)	(4,250)
Depreciation and amortization	1,932	501	-	2,433
Total assets	55,466	17,009	9,803	82,278
Expenditures for Segment Assets	2,396	87	-	2,483

(1) Corporate charges are primarily interest expense and non-cash and other one-time expense

Note 7 – Income tax provision (benefit)

The provision (benefit) for income taxes for the fiscal years ended October 31, 2024 and 2023 consists of the following (in thousands):

	2024	2023
Current:		
Federal	\$ -	\$ (501)
State	93	6
	<u>93</u>	<u>(495)</u>
Deferred:		
Federal	1,942	(438)
State	761	(239)
	<u>2,703</u>	<u>(677)</u>
	<u>\$ 2,796</u>	<u>\$ (1,172)</u>

Income tax at the federal statutory rate is reconciled to our actual net provision (benefit) for income taxes as follows (in thousands, except percentages):

	2024		2023	
	Amount	% of Pretax Loss	Amount	% of Pretax Income
U.S. federal statutory tax rate	\$ (799)	21.0%	\$ (893)	21.0%
State and local taxes, net of federal tax benefit	(170)	4.5%	(212)	5.0%
Permanent differences	14	-0.4%	15	-0.4%
Stock options	45	-1.2%	88	-2.1%
R&D credits	(102)	2.7%	(238)	5.6%
Uncertain tax position reserves	3	-0.1%	13	-0.3%
Return-to-provision adjustments	(34)	0.9%	(69)	1.6%
Change in the valuation allowance on deferred tax assets	3,839	-100.9%	124	-2.9%
Income tax expense	<u>\$ 2,796</u>	<u>-73.5%</u>	<u>\$ (1,172)</u>	<u>27.5%</u>

The significant components of deferred income taxes were as follows (in thousands):

	2024	2023
Deferred Tax Assets:		
Allowance for obsolete and slow moving inventory	\$ 522	\$ 434
Allowance for credit losses	39	63
Compensation accruals	264	275
Stock-based compensation awards	328	213
Uniform capitalization	277	208
Lease liability	5,221	5,177
Others	55	94
Capitalized Section 174 Costs	1,209	864
Research and development tax credit	282	128
163(j) interest carryforward	347	118
Gross deferred tax assets	8,544	7,574
Valuation allowance	(3,962)	(124)
Total deferred tax assets	4,582	7,450
Deferred Tax Liabilities:		
Amortization / intangible assets	(172)	(192)
ROU assets	(3,880)	(3,942)
Depreciation / equipment and furnishings	(740)	(822)
Gross deferred tax liabilities	(4,792)	(4,956)
Net deferred tax asset/(liabilities)	\$ (210)	\$ 2,494

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company assesses all positive and negative evidence in determining if, based on the weight of such evidence, a valuation allowance is required to be recorded against the deferred tax assets as of October 31, 2024. The Company has evaluated future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. In making such judgements, significant weight is given to evidence that can be objectively verified. After analyzing all available evidence, including the recent trend of losses, the Company has determined that it is not more likely than not that all of its deferred tax assets will be realized, and therefore, has recorded a partial valuation allowance of \$3.8 million against its federal and combined state deferred tax assets as of October 31, 2024. The change in valuation allowance was \$3.8 million and \$0.1 million for fiscal 2024 and 2023, respectively.

At October 31, 2024, the Company has gross state net operating loss (NOL) carryforwards of \$0.6 million. The state NOL carryforwards of \$0.6 million will begin to expire in 2029 unless previously utilized. At October 31, 2024, the Company also has IRC 163(j) interest carryforwards of \$1.5 million, which will carry forward indefinitely. At October 31, 2024, the Company also has US federal and state research and development credit carryforwards of \$0.1 million and \$0.3 million, respectively. The federal credit carryforwards will begin to expire in 2044 unless previously utilized. The state credit carryforwards of \$0.2 million will begin to expire in 2029 unless previously utilized and the remainder will carry forward indefinitely.

The provision (benefit) for income taxes was \$2.8 million or (73.5%) and (\$1.2 million) or 27.5% of income before income taxes for fiscal 2024 and 2023, respectively. The fiscal 2024 effective tax rate differed from the statutory federal rate of 21% primarily as a result of the tax benefit from research and development tax credits, the change in valuation allowance for deferred tax assets and state taxes as shown in the effective tax rate reconciliation table above.

The Company recognizes the benefit of tax positions taken or expected to be taken in its tax returns in the consolidated financial statements when it is more likely than not that the position will be sustained upon examination by authorities. Recognized tax positions are measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement.

A reconciliation of the beginning and ending balance to total uncertain tax positions in fiscal years ended October 31, 2024 and 2023 are as follows:

	2024	2023
Balance, at beginning of year	\$ 178	\$ 121
Increase for tax positions related to the current year	47	78
Increase (decrease) for tax positions related to prior years	(10)	2
Statute of limitations expirations	(29)	(23)
Balance, at end of year	<u>\$ 186</u>	<u>\$ 178</u>

We had gross unrecognized tax benefits of \$186,000 and \$178,000 attributable to U.S. federal and state research tax credits as of October 31, 2024 and 2023, respectively. During fiscal 2024, the increase in our gross unrecognized tax benefit was primarily related to increased federal and state research tax credits being generated. The uncertain tax benefit of \$81,000 is recorded as a reduction to deferred tax assets and the remainder is recorded in income taxes payable in our consolidated balance sheet and if recognized in the future would impact our effective tax rate. We recognize interest and penalties related to uncertain tax positions in income tax expense. We recognized expense of approximately \$28,000 and \$20,000 during the years ended October 31, 2024 and 2023, respectively. We believe that an adequate provision has been made for any adjustments that may result from tax examinations. However, it is possible that certain changes may occur within the next twelve months, but we do not anticipate that our accrual for uncertain tax positions will change by a material amount over the next twelve-month period.

We are subject to taxation in the United States and state jurisdictions. Our tax years for October 31, 2021 and forward are subject to examination by the United States and October 31, 2020 and forward with state tax authorities.

Note 8 – Stock options

Incentive and non-qualified stock option plans

On July 22, 2020, the Company's Board of Directors adopted the 2020 Equity Incentive Plan (the "2020 Plan"). In September 2020, the Company's stockholders approved the 2020 Plan by vote as required by NASDAQ. An aggregate of 1,250,000 shares of common stock was set aside and reserved for issuance under the 2020 Plan. At its annual meeting held on September 5, 2024, the Company's stockholders approved an amendment to the 2020 Plan to increase the number of shares of common stock available for issuance under the plan by 1,000,000 shares. As of October 31, 2024, 1,299,269 shares of common stock were remaining for future grants of stock options under the 2020 Plan.

Additional disclosures related to stock option plans

On January 11, 2023, we granted a total of 54,092 shares of restricted stock and 108,181 incentive stock options to one manager and three officers, respectively. The shares of restricted stock and incentive stock options vest over four years as follows: (i) one-quarter of the restricted shares and options shall vest on January 10, 2024 and (ii) the remaining restricted shares and options shall vest in 12 equal quarterly installments over the next three years. Also on January 11, 2023, we granted another manager 50,000 incentive stock options. As of October 31, 2023, the 50,000 incentive stock options granted to manager were cancelled and forfeited as the manager was no longer employed. All incentive stock options expire 10 years from the date of grant.

On August 29, 2023, we granted one employee 10,000 incentive stock options. These options vested with respect to 2,500 shares on the date of grant, and the remaining shares vests in equal installments thereafter on each of the next three anniversaries of August 29, 2023. The options expire 10 years from the date of grant.

On January 11, 2024, we granted incentive stock options to Mr. Dawson for the purchase of 116,667 shares, Mr. Yin for the purchase of 41,667 shares, and Mr. Bibisi for the purchase of 41,667 shares. The incentive stock options vest over four years as follows: (i) one-quarter of the options shall vest on January 11, 2025 and (ii) the remaining options shall vest in 12 equal quarterly installments over the next three years. All incentive stock options expire 10 years from the date of grant. No other options were granted to the named executive officers during the year ended October 31, 2024.

On April 16, 2024, we granted a total of 25,000 incentive stock options to three managers. The shares of incentive stock options vest over four years as follows: (i) one-quarter of the options shall vest on April 16, 2025 and (ii) the remaining and options shall vest in 12 equal quarterly installments over the next three years.

No other shares or options were granted to Company employees during fiscal 2024.

The fair value of each option granted in 2024 and 2023 was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

	2024	2023
Weighted average volatility	53.16%	54.27%
Expected dividends	0.00%	0.00%
Expected term (in years)	7.0	7.0
Risk-free interest rate	4.00%	3.78%
Weighted average fair value of options granted during the year	\$ 1.76	\$ 3.15
Weighted average fair value of options vested during the year	\$ 2.88	\$ 2.80

Expected volatilities are based on historical volatility of our stock price and other factors. We used the historical method to calculate the expected life of the 2024 and 2023 option grants. The expected life represents the period of time that options granted are expected to be outstanding. The risk-free rate is based on the U.S. Treasury rate with a maturity date corresponding to the options' expected life. The dividend yield is based upon the historical dividend yield on the Company's common stock.

Additional information regarding all of our outstanding stock options at October 31, 2024 and 2023 and changes in outstanding stock options in 2024 and 2023 follows:

	2024		2023	
	Shares or Price Per Share	Weighted Average Exercise Price	Shares or Price Per Share	Weighted Average Exercise Price
Outstanding at beginning of year	754,186	\$ 6.04	691,005	\$ 5.87
Options granted	245,001	\$ 3.01	168,181	\$ 5.36
Options exercised	-	\$ -	(45,000)	\$ 1.90
Options canceled or expired	(124,371)	\$ 6.42	(60,000)	\$ 5.33
Options outstanding at end of year	<u>874,816</u>	<u>\$ 5.10</u>	<u>754,186</u>	<u>\$ 6.04</u>
Options exercisable at end of year	<u>478,986</u>	<u>\$ 5.95</u>	<u>479,588</u>	<u>\$ 6.10</u>
Options vested and expected to vest at end of year	<u>874,816</u>	<u>\$ 5.10</u>	<u>748,358</u>	<u>\$ 6.13</u>
Option price range at end of year	<u>\$1.90 - \$8.69</u>		<u>\$1.90 - \$8.69</u>	
Aggregate intrinsic value of options exercised during year	<u>\$ -</u>		<u>\$ 144,005</u>	

Weighted average remaining contractual life of options outstanding as of October 31, 2024: 6.42 years

Weighted average remaining contractual life of options exercisable as of October 31, 2024: 4.91 years

Weighted average remaining contractual life of options vested and expected to vest as of October 31, 2024: 6.42 years

Aggregate intrinsic value of options outstanding at October 31, 2024: \$73,000

Aggregate intrinsic value of options exercisable at October 31, 2024: \$50,000

Aggregate intrinsic value of options vested and expected to vest at October 31, 2024: \$73,000

As of October 31, 2024, \$904,000 and \$704,000 of expense with respect to nonvested stock options and restricted shares, respectively, has yet to be recognized but is expected to be recognized over a weighted average period of 1.2 and 1.1 years, respectively.

Note 9 – Retirement plan

We have a 401(k) plan available to our employees. For the years ended October 31, 2024 and 2023, we contributed and recognized as an expense of \$533,000 and \$567,000, respectively, which amounts represented 3% of eligible employee earnings under the Company’s Safe Harbor Non-elective Employer Contribution Plan.

Note 10 – Term Loan and Line of credit

In February 2022, we entered into a loan agreement (the “BofA Loan Agreement”) providing for a revolving line of credit (the “BofA Revolving Credit Facility”) in the amount of \$3.0 million and a \$17.0 million term loan (“BofA Term Loan”, and together with the BofA Revolving Credit Facility, the “BofA Credit Facility”) with Bank of America, N.A. (“BofA”). Amounts outstanding under the BofA Revolving Credit Facility bore interest at a rate of 2.0% plus the Bloomberg Short-Term Bank Yield Index Rate. All amounts outstanding pursuant to the BofA Credit Facility were repaid by us and the BofA Loan Agreement was terminated in connection with us entering into a new loan and security agreement (the “EBC Credit Agreement”) with Eclipse Business Capital, as administrative agent (“EBC”) on March 15, 2024. Borrowings under the BofA Credit Facility were secured by a security interest in certain assets of the Company and were subject to certain loan covenants. The BofA Credit Facility required the maintenance of certain financial covenants, including: (i) consolidated debt to EBITDA ratio not to exceed 3.00 to 1.00 (the “Debt Test”); (ii) consolidated fixed charge coverage ratio of at least 1.25 to 1.00 (the “FCCR Test”); and (iii) consolidated minimum EBITDA of at least \$600,000 for the discrete quarter ended January 31, 2022. In addition, the BofA Credit Facility contained customary affirmative and negative covenants.

On September 12, 2023, we entered into Amendment No. 1 and Waiver to the BofA Loan Agreement (“Loan Amendment No. 1”) with BofA, which, among other matters, provided for a one-time waiver of our failure to comply with (i) the Debt Test for the period ended July 31, 2023 and (ii) the FCCR Test for the period ended July 31, 2023. Loan Amendment No. 1 also waived testing for compliance with the Debt Test and FCCR Test for the quarterly periods ending October 31, 2023, January 31, 2024, April 30, 2024 and July 31, 2024. Further, pursuant to Loan Amendment No. 1, we were required to maintain (i) (a) until September 21, 2023, minimum liquidity (week-end cash balance plus availability from the BofA Revolving Credit Facility) of \$4.0 million, and (b) from September 22, 2023 and thereafter, liquidity equal to the greater of (1) \$4.0 million or (2) 80% of the liquidity that had been forecast for this date at the fourth week of the forecast and (ii) minimum EBITDA of (\$400,000), \$500,000, \$1.0 million, and \$1.0 million for the quarters ending October 31, 2023, January 31, 2024, April 30, 2024, and July 31, 2024, respectively.

On January 26, 2024, we entered into Amendment No. 2 to the BofA Loan Agreement (“Loan Amendment No. 2”) with BofA, which, among other matters, eliminated the requirement to maintain minimum EBITDA of \$500,000 for the quarter ending January 31, 2024. Under Loan Amendment No. 2, the line of credit available to the Company under the BofA Revolving Credit Facility was lowered from \$3.0 million to \$500,000. Further, Loan Amendment No. 2 required that we maintain from September 22, 2023 and thereafter, liquidity of at least \$2.0 million, rather than the greater of \$4.0 million or 80% of the forecast liquidity as was required under Loan Amendment No. 1. Under Loan Amendment No. 2, the Company would have been required to pay an additional fee equal to 1% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan if the BofA Credit Facility was not repaid in full on or before March 1, 2024. This additional fee, if applicable, would have been due on March 2, 2024. Further, Loan Amendment No. 2 required that the Company make an additional principal payment of \$1.0 million on the BofA Term Loan on March 1, 2024, in addition to the existing monthly payments due on the BofA Term Loan. In connection with Loan Amendment No. 2, we paid BofA a \$500,000 paydown on the BofA Revolving Credit Facility, thereby reducing the outstanding balance from \$1.0 million to \$500,000. Loan Amendment No. 2 was considered a modification under ASC 470, *Debt*.

On February 29, 2024, we entered into Amendment No. 3 to the BofA Loan Agreement (“Loan Amendment No. 3”) with BofA, which, among other matters, deferred the requirement that the Company make an additional principal payment of \$1.0 million on the BofA Term Loan, from March 1, 2024, as was required under Loan Amendment No. 2, to April 1, 2024. Further, Loan Amendment No. 3 reduced the additional fee the Company was required to pay BofA on March 2, 2024 from 1% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan as of March 1, 2024 as required under Loan Amendment No. 2, to 0.50% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan as of March 1, 2024. Additionally, Loan Amendment No. 3 required the Company to pay BofA a fee equal to 0.50% of the collective outstanding principal balances of the BofA Revolving Credit Facility and BofA Term Loan as of March 1, 2024, if the BofA Credit Facility was not repaid in full on or before April 2, 2024 (the “April 2024 Fee”). The April 2024 Fee, if applicable, would have been due on April 2, 2024. We were not required to pay the April 2024 Fee based on our repayment of the BofA Credit Facility prior to April 2, 2024. Under Loan Amendment No. 3, the Company was required to maintain liquidity of at least \$2.0 million and pay the remaining outstanding balance of \$500,000 on the BofA Revolving Credit Facility by March 1, 2024, as required under Loan Amendment No. 2. Loan Amendment No. 3 was considered a modification under ASC 470, *Debt*.

On March 15, 2024, we entered into the EBC Credit Agreement and used proceeds from the initial drawings under the EBC Credit Facilities (as defined below) to repay in full outstanding obligations under the BofA Loan Agreement and to pay fees, premiums, costs and expenses, including fees payable in connection with the EBC Credit Agreement. The BofA Loan Agreement was terminated upon entry into the EBC Credit Agreement and is no longer in effect.

The EBC Credit Agreement provides for (i) a senior secured revolving loan facility of up to \$15.0 million (the “EBC Revolving Loan Facility”) and (ii) a senior secured revolving credit facility of up to \$1.0 million (the “EBC Additional Line” and, together with the EBC Revolving Loan Facility, the “EBC Credit Facilities”) (with a \$3.0 million swingline loan sublimit). On June 14, 2024, the parties entered into a First Amendment to the EBC Credit Agreement (the “First Amendment”) providing for a modified EBC Additional Line of \$1.0 million through July 12, 2024, \$666,666.67 from July 13, 2024 through August 11, 2024 and \$333,333.34 from August 12, 2024 through September 10, 2024. Availability of borrowings under the EBC Credit Facilities will be based upon a borrowing base formula and periodic borrowing base certifications valuing certain of our accounts receivable and inventories, as reduced by certain reserves, if any.

In the absence of an Event of Default (as defined in the EBC Credit Agreement) or certain other events (including the inability of EBC to determine the secured overnight financing rate “SOFR”), borrowings under (a) the EBC Revolving Loan Facility accrue interest at a rate of the one-month term SOFR reference rate plus an adjustment of 0.11448% (“Adjusted Term SOFR”) plus 5.00%, and (b) the EBC Additional Line accrue interest at a rate of Adjusted Term SOFR plus 6.50%, in each case subject to a floor of 2.00% for Adjusted Term SOFR. We will be required to pay a commitment fee of 0.50% per annum for the unused portion of the EBC Revolving Loan Facility. In addition to the foregoing unused commitment fee, we are required to pay certain other administrative fees pursuant to the terms of the EBC Credit Agreement.

Borrowings under the EBC Credit Agreement are secured by a security interest in certain assets of the Company and are subject to certain loan covenants. The EBC Credit Facilities require the maintenance of certain financial covenants, including (i) Excess Availability (as defined in the EBC Credit Agreement) of at least, as of any date of determination, an amount equal to the greater of (a) \$1.0 million and (b) 10% of the Adjusted Borrowing Base (as defined in the EBC Credit Agreement), unless as of the last day of the most recent month for which the monthly financial statements and the related compliance certificate have been or are required to have been delivered to EBC, the Fixed Charge Coverage Ratio (as defined in the EBC Credit Agreement) for the twelve consecutive calendar month period then ended is greater than 1.10 to 1.00; and (ii) a capital expenditure limitation limiting the aggregate cost of all Capital Expenditure (as defined in the EBC Credit Agreement) to \$2.5 million during any fiscal year. In addition, the EBC Credit Facilities contain customary affirmative and negative covenants.

We filed the EBC Credit Agreement as Exhibit 10.3 to our Quarterly Report on Form 10-Q for the quarter ended January 31, 2024 and the First Amendment as Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended July 31, 2024.

Debt issuance costs related to the EBC Credit Agreement totaled \$412,000 and were included as part of our other long-term assets balance.

As of October 31, 2024, our outstanding borrowings under the EBC Credit Agreement were \$8,197,000. In accordance with ASC 470-10-45, *Other Presentations Matters - General*, we have classified the outstanding borrowings as part of current liabilities.

Note 11 – Related party transactions

A portion of our operating space is leased from K&K Unlimited, a company controlled by Darren Clark, the former owner and current President of Cables Unlimited. Cables Unlimited monthly rent expense under the lease was \$16,000 through May 30, 2024 then the monthly expense increased to \$18,000 for the remainder of the year. The monthly payments also include all utilities, janitorial expense, routine maintenance costs, and costs of insurance for Cables Unlimited’s business operations and equipment. During the fiscal years ended October 31, 2024 and 2023, we paid a total of \$218,000 and \$208,000 under the leases, respectively.

During fiscal 2023, we paid royalties to Elmec Ltd. (“Elmec”), a European-based company that owns the intellectual property that is used in Schrofftech’s products. One third of Elmec is jointly owned by David Therrien and Richard DeFelice, two of the former owners and current President and Vice President, respectively, of Schrofftech. For the year ended October 31, 2023, we paid a total of \$24,000 of royalty payments to Elmec. The expenses related to these transactions are included in cost of goods sold. There were no royalty payments made for the year ended October 31, 2024.

Note 12 – Cash dividend and declared dividends

We did not pay or declare any dividends during fiscal year 2024, nor during fiscal year 2023.

Note 13 – Commitments

We adopted ASU 2016-02 on November 1, 2019, and elected the practical expedient modified retrospective method whereby the lease qualification and classification was carried over from the accounting for leases under ASC 840. The lease contracts for the corporate headquarters, RF Connector division manufacturing facilities, Cables Unlimited, Rel-Tech, and C Enterprises commenced prior to the effective date of November 1, 2019, and were determined to be operating leases. All other new contracts have been assessed for the existence of a lease and for the proper classification into operating leases. The rate implicit in the leases was undeterminable and, therefore, the discount rate used in all lease contracts is our incremental borrowing rate.

We have operating leases for corporate offices, manufacturing facilities, and certain storage units. Our leases have remaining lease terms of one year to five years. A portion of our operating leases are leased from K&K Unlimited, a company controlled by Darren Clark, the former owner and current President of Cables Unlimited, to whom we make rent payments of \$16,000 to \$18,000 per month.

We also have other operating leases for certain equipment. The components of our facilities and equipment operating lease expenses for the years ended October 31, 2024 and 2023 were as follows (in thousands):

	Fiscal Year Ended October 31, 2024	Fiscal Year Ended October 31, 2023
Operating lease cost	\$ 2,956	\$ 2,872

Other information related to leases was as follows (in thousands):

	October 31, 2024	October 31, 2023
Supplemental Cash Flows Information		
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 1,078	\$ 6,479
Weighted Average Remaining Lease Term		
Operating leases (in months)	100.92	114.26
Weighted Average Discount Rate		
Operating leases	6.99%	6.96%

Future minimum lease payments under non-cancellable leases as of October 31, 2024 were as follows (in thousands):

Year ended October 31,	Operating Leases
2025	\$ 3,227
2026	3,228
2027	3,169
2028	2,997
Thereafter	14,878
Total future minimum lease payments	27,499
Less imputed interest	(6,971)
Total	\$ 20,528

Reported as of October 31, 2024	Operating Leases
Current portion of operating lease liabilities	\$ 1,848
Operating lease liabilities	18,680
Total	\$ 20,528

As of October 31, 2024, operating lease right-of-use asset was \$15.3 million and operating lease liability totaled \$20.5 million, of which \$1.8 million is classified as current. There were no finance leases as of October 31, 2024 or 2023.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RF INDUSTRIES, LTD.

Date: January 21, 2025

By: /s/ ROBERT D. DAWSON
Robert D. Dawson
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: January 21, 2025

By: /s/ ROBERT D. DAWSON
Robert D. Dawson, Director and Chief Executive Officer
(Principal Executive Officer)

Date: January 21, 2025

By: /s/ PETER YIN
Peter Yin, Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: January 21, 2025

By: /s/ MARK K. HOLDSWORTH
Mark Holdsworth, Chairman of the Board of Directors

Date: January 21, 2025

By: /s/ SHERYL CEFALI
Sheryl Cefali, Director

Date: January 21, 2025

By: /s/ GERALD T. GARLAND
Gerald Garland, Director

Date: January 21, 2025

By: /s/ KAY L. TIDWELL
Kay L. Tidwell, Director

RF INDUSTRIES, LTD.
INSIDER TRADING POLICY
(revised June, 2023)

This policy outlines the procedures that all RF Industries, Ltd. (the “Company”) personnel must follow in connection with any trading (purchase or sale) of Company securities. This policy arises from our responsibilities as a public company. Failure to comply with these policies could result in a serious violation of the securities laws by you and/or the Company which can involve both civil and criminal penalties. It is important that you review our policy carefully.

It is also our policy that Company personnel may not trade in the securities of other publicly traded companies (directly or through others), including our vendors, customers and partners, when in possession of material non-public information relating to those companies obtained in the course of working for the Company.

What is an Insider?

An “insider” is a person who possesses, or has access to **material information** concerning the Company that has not been **fully disclosed** to the public (see below for definitions of “material information” and “full disclosure”).

Why This Policy? Insiders may be subject to criminal prosecution and civil liability for trading (purchase or sale) in Company stock when they know material information concerning the Company that has not been fully disclosed to the public. Criminal prosecution for insider trading can and often does result in prison sentences for the violator. Civil actions may be brought by private plaintiffs or the Securities and Exchange Commission (“SEC”) which may seek a penalty of up to three times the profits made or losses avoided by the violator. In addition to the potential criminal and civil liabilities, the Company may be able to recover all profits made by an insider, plus collect other damages. Finally, insider trading can cause a substantial loss of confidence in the Company and its stock on the part of the public and the securities markets. This could have a significant adverse impact on the Company and its shareholders.

Tippling. Insider trading laws are not limited to trading by the insider alone; it is also illegal to advise others to trade on the basis of undisclosed material information, whether or not you derive any benefit from someone else’s actions. Liability in such cases can extend both to the “tippee” (the person to whom the insider disclosed inside information) and to the “tipper” (the insider himself).

Applicability of Policy

This policy applies to all transactions in Company securities by “insiders.” As a rule of thumb, insiders are:

- Members of the Board of Directors and officers of the Company or its subsidiaries, and
 - Any employee or former employee of the Company or its subsidiaries who knows material information regarding the Company that has not been fully disclosed to the public.
-

- ▶ This policy also applies to the immediate families (direct family living in the same household) of such insiders. *Although immediate family is narrowly defined, an employee should be especially careful with respect to family or to unrelated persons living in the same household, as well as friends.*
 - ▶ A person can be an insider for a limited time with respect to certain material information even though he or she is not an officer or director. For example, an administrative assistant who knows that a major contract award has just been received may be an insider with respect to that information until the news has been fully disclosed to the public.
- Contractors, suppliers and other personnel who have access to material non-public information relating to the Company, as applicable.

What is Nonpublic Information and Full Disclosure?

Material information is “nonpublic” if it has not been widely disseminated to the general public through a report filed with the SEC or through major newswire services, national news services or financial news services.

Full disclosure to the public generally means a press release followed by publication in the media, for example, a news wire or The Wall Street Journal. (A speech to an audience, a TV or radio appearance, or an article in an obscure magazine generally does not qualify as full disclosure.) Full disclosure means that the securities markets have had the opportunity to digest the news. Generally, 24 hours following publication or release to a national wire service is regarded as sufficient for the dissemination and interpretation of material information.

Definition of Material Information

It is not possible to define all categories of material information. In general, information should be regarded as material if there is a **likelihood that it would be considered important by an investor in making a decision regarding the purchase or sale of Company stock**. In simple terms, material information is any type of information which could reasonably be expected to affect the market price of the Company’s securities. Both positive and negative information may be material. Common examples of information that will frequently be regarded as material are:

- Projections of future earnings or losses;
- Changed expectations regarding quarterly revenues or earnings, or earnings that are inconsistent with the consensus expectations of the investment community;
- Unanticipated and substantial changes in the level of sales, orders or expenses;
- Significant changes or developments in supplies or inventory, including significant product defects, recalls or product returns;
- Significant new products or discoveries;
- Information covering major corporate partnering transactions, leasing arrangements, or the gain or loss of a substantial licensor or licensee;

- A pending or proposed merger, acquisition, or similar transaction;
- News of a significant sale of assets or the disposition of a subsidiary;
- Changes in dividend policies, the declaration of a stock split, new debt or equity offerings and similar matters;
- Changes in senior management and membership of the Board of Directors; and
- Impending bankruptcy or financial liquidity problems.

If Unsure, Ask. If you have questions as to the materiality of information, you should contact your manager, our Chief Financial Officer (CFO) or the Company's legal counsel for clarification.

Specific Obligations

1. Prohibition on Trading. Any employee or other person associated with the Company who knows of any "material information" (defined above) concerning the Company that has not been disclosed to the public must refrain from trading (purchase or sale), and must refrain from advising others to trade, in Company securities until the second business day after public disclosure of such information is made.

2. Trading Windows. Officers, directors and designated employees can only buy or sell stock outside of "black-out" periods, i.e. during an "open window." The window restrictions apply to senior management, all finance and accounting personnel, employees who have received stock grants from the company, and any employee who has access to inside information on a regular basis (for example, receipt of monthly financial or sales highlights). The standard black-out periods begin on the 15th day in the month before the end of a fiscal quarter or fiscal year and end one business day after public release of quarterly or annual financial results for that fiscal period.

- This period may be shortened by the Company on a case-by-case basis depending on the circumstances. Additional black-out periods also may be imposed by the Company on officers and directors to the extent necessary or desirable to comply with securities or other laws, and the Company will notify those persons in such an event.
- The CFO or other designated officer will notify employees when the window closes each quarter and when it opens. If unsure of whether you are covered by the window or whether the window is closed or open, you should inquire with your manager or the CFO.

3. Officer and Director Additional Obligations. Members of the Board of Directors, Executive Officers and other designated key employees have additional obligations that include (a) obtaining pre-clearance approval for all trades, even during an open window, and refraining from other transactions. (See the **Appendix** to this Policy.) Any employee who believes that he or she would be regarded as an insider, and who is contemplating a transaction in Company stock and is unsure of the applicability of this policy should review that policy, and talk to their manager or the CFO prior to executing a transaction. *Officers and directors should be particularly careful, since avoiding the appearance of engaging in stock transactions on the basis of material undisclosed information can be as important as avoiding a transaction actually based on such information.*

4. No Size of Transaction or Similar Exception. It does not matter that the “insider” may have decided to engage in a transaction before learning of the undisclosed material information or that delaying the transaction might result in economic loss. It is also irrelevant that publicly disclosed information about the Company might, even aside from the undisclosed material information, provide a substantial basis for engaging in the transaction. Nor are there are limits on the size of a transaction that will trigger insider trading liability; relatively small trades have in the past occasioned SEC investigations and lawsuits.

You simply cannot trade in Company stock while in possession of undisclosed material information about the Company. The only exceptions to the policy are as follows:

- Exercise of a stock option under one of the Company’s stock option plans if you “hold” (do not sell) the shares upon exercise. *This exception does not include a subsequent sale of the shares acquired pursuant to the exercise of the option, including a “same-day” or broker-assisted cashless exercise of an option or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.*
- Any transaction specifically approved in writing in advance by our Chief Executive Officer. (See the **Policy Appendix**.)

Violation of the laws against insider trading can result in both civil and criminal penalties and may result in termination of your employment by the Company. Therefore, please carefully review the Company’s insider trading policy and strictly comply with it.

5. Insider Trading Compliance Officers. The Company’s Chief Executive Officer shall act as the Company’s Insider Trading Compliance Officer (the “Compliance Officer”); provided, however, that if the Chief Executive Officer is a party to a proposed trade, transaction or inquiry relating to this Policy, the Company’s Chief Financial Officer and Chairman of the Board of Directors shall act as the Compliance Officer with respect to such proposed trade, transaction or inquiry. The Compliance Officer may delegate his or her authority to act as the Compliance Officer as he or she deem necessary or appropriate in his or her sole discretion. The duties and powers of the Compliance Officer and his or her delegees may include the following:

- Administering, monitoring and enforcing compliance with this Policy.
- Responding to all inquiries relating to this Policy.
- Designating and announcing special trading blackout periods during which specified persons may trade in Company securities.
- Providing copies of this Policy and other appropriate materials to all current and new directors, officers and employees, and such other persons as the Compliance Officer determines have access to material nonpublic information concerning the Company.
- Administering, monitoring and enforcing compliance with federal and state insider trading laws and regulations.

- Assisting in the preparation and filing of all required SEC reports filed by Section 16 Insiders relating to their trading in Company securities, including Forms 3, 4, 5 and 144 and Schedules 13D and 13G.
- Maintaining as Company records originals or copies of all documents required by the provisions of this Policy, and copies of all required SEC reports relating to insider trading, including Forms 3, 4, 5 and 144 and Schedules 13D and 13G.
- Revising this Policy as necessary to reflect changes in applicable insider trading laws and regulations (to be reported to and considered by the Nominating and Corporate Governance Committee of the Board of Directors of the Company at its next meeting).
- Maintaining the accuracy of the list of roles/titles of Section 16 officers, and updating such list periodically as necessary to reflect additions or deletions.
- Designing and requiring training about the obligations of this Policy as the Compliance Officer considers appropriate.

The Compliance Officer may designate one or more individuals who may perform the Compliance Officer's duties under this Policy in the event that a Compliance Officer is unable or unavailable to perform such duties.

ACKNOWLEDGMENT AND CERTIFICATION

The undersigned hereby acknowledges and certifies that the undersigned:

- Has received, read and understands the RF Industries Ltd.'s Insider Trading Policy.*
- Understands that the Company's Chief Financial Officer and the Company's counsel are available to answer any questions the undersigned has regarding the policy.
- Will continue to comply fully with the Insider Trading Policy.

Date: _____

Signature: _____

Print Name: _____

****Officers, Directors and Designated Key Employees are Required to Read and Acknowledge the Appendix to the Document.***

Subsidiaries

RF Industries, Ltd. owns 100% of the capital stock of each of the following subsidiaries:

- Cables Unlimited, Inc., a New York corporation
- Rel-Tech Electronics, Inc., a Connecticut corporation
- C Enterprises, Inc., a California corporation
- Schroff Technologies International, Inc., a Rhode Island corporation
- Microlab/FXR LLC, a New Jersey limited liability company

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements on Form S-3 (No. 333-260851) and Form S-8 (Nos. 333-282821, 333-248791, 333-207569, 333-114932, 333-62188, 333-169490, 333-205748 and 333-220561) of RF Industries, Ltd. and Subsidiaries, of our report dated January 21, 2025 on our audits of the consolidated financial statements of RF Industries, Ltd. and Subsidiaries as of October 31, 2024 and 2023 and for the years then ended, included in this Annual Report on Form 10-K of RF Industries, Ltd. and Subsidiaries for the year ended October 31, 2024.

/s/ CohnReznick LLP

Tysons, Virginia
January 21, 2025

**CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Robert D. Dawson, certify that:

1. I have reviewed this report on Form 10-K for the fiscal year ended October 31, 2024 of RF Industries, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and to the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 21, 2025

/s/ Robert D. Dawson
Robert D. Dawson
Chief Executive Officer

**CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Peter Yin, certify that:

1. I have reviewed this report on Form 10-K for the fiscal year ended October 31, 2024 of RF Industries, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and to the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 21, 2025

/s/ Peter Yin

Peter Yin
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO

18 U.S.C. § 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of RF Industries, Ltd. (“Company”) on Form 10-K for the fiscal year ended October 31, 2024, as filed with the Securities and Exchange Commission (the “Report”), I, Robert D. Dawson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 21, 2025

/s/ Robert D. Dawson

Robert D. Dawson

Chief Executive Officer

CERTIFICATION PURSUANT TO

18 U.S.C. § 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of RF Industries, Ltd. (“Company”) on Form 10-K for the fiscal year ended October 31, 2024, as filed with the Securities and Exchange Commission (the “Report”), I, Peter Yin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 21, 2025

/s/ Peter Yin

Peter Yin

Chief Financial Officer