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**C O N F I D E N T I A L   P R I V A T E   P L A C E M E N T   M E M O R A N D U M**

**PURSUANT TO RULE 506(c)  
OF THE SECURITIES ACT OF 1933**

## **WYTEC INTERNATIONAL, INC.**



**\$15,000,000**

**3,000,000 Units At \$5.00 Per Unit**

**Each Unit Consisting of  
One Share of Common Stock and  
One Common Stock Purchase Warrant**

**Minimum Investment: 5,000 Units (\$25,000)**

**FOR ACCREDITED INVESTORS ONLY**

**WYTEC INTERNATIONAL, INC.  
19206 Huebner Road, Suite 202  
San Antonio, Texas 78258  
(210) 233-8980**

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

## WYTEC INTERNATIONAL, INC. \$15,000,000

3,000,000 Units At \$5.00 Per Unit

**Each Unit Consisting of One Share of Common Stock and  
One Common Stock Purchase Warrant  
Minimum Investment: 5,000 Units (\$25,000)**

### FOR ACCREDITED INVESTORS ONLY

Wytec International, Inc., a Nevada corporation formed in November 2011 (“Wytec,” “we,” “us,” or the “Company”), is the owner of intellectual property defined as the “LPN-16.” It is designed as an outside “neutral host” small cell device capable of expanding and strengthening Wi-Fi and cellular enhancement within a concentrated coverage area. The growth of small cells is in response to the increasing global data demand and in preparation for the next generation of cellular technology including wide area coverage support to Smart City 5G networks, and Internet of Things (“IOT”) smart applications. Wytec was granted a patent from the United States Patent and Trademark Office (“USPTO”) for its proprietary LPN-16 technology in September 2017.

In addition to Wytec’s LPN-16 technology, we have branded two new products and services that we refer to as “FlexSpeed” and “SmartDAS.” FlexSpeed™ is powered by the latest development in Digital Subscriber Line (“DSL”) technology and capable of supporting symmetrical gigabit Internet speeds at a fraction of the cost of fiber optics. Wytec’s SmartDAS™ service utilizes the latest developments in cellular enhancement technology, including its proprietary engineering designs, to dramatically cut the cost of Distributed Antenna Systems (“DAS”) currently being deployed as the predominate application for in-building cellular enhancement. Wytec’s SmartDAS™ service is also designed to meet the latest federal public safety mandates now becoming a major concern for both commercial and governmental facilities throughout the U.S. We are currently a public reporting company, but our shares are not publicly traded.

Our principal investment objectives are to:

- (1) Expand the growth and footprint of our backhaul millimeter wave networks in markets throughout the United States in support of our branded services;
- (2) Significantly increase our marketing efforts for Wytec’s FlexSpeed™ Internet and SmartDAS™ services; and
- (3) Prepare for and successfully conclude Wytec’s “proof of concept” pilot tests for its LPN-16 small cell technology.

We cannot assure that we will achieve any of our investment objectives. This investment involves significant risks. See “RISK FACTORS.”

We are offering up to 3,000,000 units (the “Units”), each Unit consisting of one share of common stock (the “Shares”) and one common stock purchase warrant (the “Warrants”). The Warrants are exercisable for cash until December 31, 2021 at an exercise price equal to the greater of (i) \$5.00 or (ii) 85% of the average closing price of our common stock as quoted on the public securities trading market on which our common stock is then traded with the highest volume, for ten (10) consecutive trading days immediately prior to the date of exercise.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

	Price to Investors (1)	Selling Commissions (2)	Proceeds to Company (3)
Per Unit	\$5.00	(2)	\$5.00
Total (4)	\$15,000,000	(2)	\$15,000,000

\*See footnotes on following page.

The Date of this Memorandum is June 25, 2020

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- (1) This offering will terminate on the earlier of (i) the date all Units are sold, (ii) the date we select, which we may do in our sole discretion regardless of the amount of capital raised, or (iii) December 26, 2020, unless extended by us for up to an additional 180 days (the “Sales Termination Date”). In making this offering, we are utilizing a crowdfunding platform to accept subscriptions and provide a subscription escrow account, pursuant to the Escrow Agreement we entered into with Prime Trust, and the Technology Services Agreement we entered into with Fund America. See Exhibits D and E to this Memorandum. There is no minimum capitalization required of us in this offering so we may close subscription agreements and release funds from escrow directly into our operating account as subscription agreements are submitted to us on the Fund America platform. Subscription funds may be deposited by us directly into our operating account for use as described in this Memorandum, when they are released from the escrow account after the subscription agreements are reviewed by us for compliance. See “TERMS OF THE PLACEMENT.”
  - (2) The Units will be offered on a “best-efforts” basis by our officers, directors and employees, and may be offered through broker-dealers who are registered with the Financial Industry Regulatory Authority (“FINRA”), or through other independent referral sources. As of the date of this Memorandum, we are not a party to any selling agreement with a FINRA broker-dealer firm for this offering. We will not incur selling commissions for sales of Units that are not made by or through FINRA registered broker-dealer firms. Members of our management and employees will receive no sales commissions or referral fees for this offering but may be paid other compensation for their efforts in connection with the offering. We will indemnify participating broker-dealers with respect to disclosures made in the Memorandum. See “PLAN OF DISTRIBUTION.”
  - (3) The amounts shown are before deducting organization and offering costs to us, which include legal, accounting, printing, due diligence, marketing, consulting, selling and other costs incurred in the offering of the Units. See “USE OF PROCEEDS” and “PLAN OF DISTRIBUTION.”
  - (4) The Units are being offered pursuant to Rule 506(c) of Regulation D of Section 4(a)(2) of the Securities Act of 1933, as amended. The Units will only be issued to purchasers who satisfy the requirements of an “Accredited Investor” as defined in Rule 501 of Regulation D. We have the option in our sole discretion to accept less than the minimum investment from a limited number of subscribers. See “TERMS OF THE PLACEMENT.”

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THIS OFFERING OF SECURITIES IS BEING MADE PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION AVAILABLE IN RULE 506(c) OF REGULATION D PROMULGATED UNDER SECTION 4(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND PURSUANT TO THE NATIONAL SECURITIES MARKET IMPROVEMENT ACT OF 1996.

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THE OFFER AND SALE OF THE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). NO UNITS MAY BE RESOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT, OR THE COMPANY HAS RECEIVED EVIDENCE SATISFACTORY TO IT THAT SUCH TRANSFER DOES NOT INVOLVE A TRANSACTION REQUIRING REGISTRATION UNDER THE ACT AND IS IN COMPLIANCE WITH THE ACT.

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THE UNITS HAVE NOT BEEN QUALIFIED UNDER CERTAIN STATE SECURITIES LAWS IN RELIANCE UPON THE APPLICABLE EXEMPTIONS FROM REGISTRATION FOR PRIVATE OFFERS AND SALES OF SECURITIES. NO UNITS MAY BE SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS THE COMPANY HAS RECEIVED EVIDENCE SATISFACTORY TO IT THAT SUCH TRANSFER DOES NOT INVOLVE A TRANSACTION REQUIRING QUALIFICATION UNDER SAID STATE SECURITIES LAWS AND IS IN COMPLIANCE WITH SUCH LAWS.

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THIS MEMORANDUM IS NOT KNOWN TO CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT, NOR TO OMIT MATERIAL FACTS WHICH IF OMITTED, WOULD MAKE THE STATEMENTS HEREIN MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN. HOWEVER, THIS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, REFERENCE SHOULD BE MADE TO THE CERTIFICATION OF RIGHTS, PREFERENCES AND PRIVILEGES AND OTHER DOCUMENTS REFERRED TO HEREIN, COPIES OF WHICH ARE ATTACHED HERETO OR WILL BE SUPPLIED UPON REQUEST, FOR THE EXACT TERMS OF SUCH AGREEMENTS AND DOCUMENTS.

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THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS CONCERNING THE COMPANY OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON.

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PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM, OR OF ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS EMPLOYEES, AGENTS OR AFFILIATES, AS INVESTMENT, LEGAL, FINANCIAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OWN COUNSEL, ACCOUNTANT AND OTHER PROFESSIONAL ADVISORS AS TO LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING HIS INVESTMENT.

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THE PRIVATE PLACEMENT OF THESE SECURITIES IS BEING MADE IN RELIANCE ON THE EXEMPTION FROM REGISTRATION AVAILABLE IN RULE 506(b) OF REGULATION D PROMULGATED UNDER SECTION 4(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND PURSUANT TO THE NATIONAL SECURITIES MARKET IMPROVEMENT ACT OF 1996.

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IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

## STATE NOTICE REQUIREMENTS

NOTICE REQUIREMENTS IN STATES WHERE UNITS MAY BE SOLD ARE AS FOLLOWS:

1. **FOR CALIFORNIA RESIDENTS:** THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND IS BEING MADE PURSUANT TO THE EXEMPTION FROM QUALIFICATION UNDER THE NATIONAL SECURITIES MARKET IMPROVEMENT ACT OF 1996 OR, IN THE ALTERNATIVE, PURSUANT TO THE EXEMPTION AVAILABLE IN SECTION 25102(f) OF THE CALIFORNIA CORPORATIONS CODE FOR PRIVATE PLACEMENTS.

2. **FOR FLORIDA RESIDENTS:** THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES. EACH FLORIDA RESIDENT WHO SUBSCRIBES FOR THE PURCHASE OF SECURITIES HEREIN HAS THE RIGHT, PURSUANT TO SECTION 517.061(11)(a)(5) OF THE FLORIDA SECURITIES ACT, TO WITHDRAW HIS SUBSCRIPTION FOR SUCH PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID WITHIN THREE BUSINESS DAYS AFTER THE EXECUTION OF THE SUBSCRIPTION AGREEMENT OR PAYMENT FOR THE PURCHASE HAS BEEN MADE, WHICHEVER IS LATER. WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT ITS ADDRESS SET FORTH IN THE TEXT OF THIS MEMORANDUM, INDICATING HIS INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THIRD BUSINESS DAY. IT IS ADVISABLE TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED. TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. IF THE REQUEST IS MADE ORALLY (IN PERSONAL OR BY TELEPHONE TO THE COMPANY AT THE NUMBER LISTED IN THE TEXT OF THIS MEMORANDUM), A WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED SHOULD BE REQUESTED.

3. **FOR PENNSYLVANIA RESIDENTS:** THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER SECTION 201 OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (THE "ACT") AND MAY BE RESOLD BY RESIDENTS OF PENNSYLVANIA ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THAT ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d), (f), (p) OR (r), DIRECTLY FROM AN ISSUER OR AFFILIATE OF AN ISSUER SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON, WITHIN TWO BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO WRITTEN BINDING CONTRACT OF PURCHASE, WITHIN TWO BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED.

SEE THE SUBSCRIPTION AGREEMENT FOR OTHER STATE NOTICES, IF APPLICABLE.

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## INVESTMENT SUMMARY

*The following summary is qualified in its entirety by the more detailed information and financial statements appearing elsewhere or incorporated by reference in this memorandum (“Memorandum”).*

### **Wytec International, Inc.**

Wytec International, Inc., a Nevada corporation (“Wytec,” the “Company,” “we,” “us,” or “our”) is a developer of wide area networks designed to support the 5G movement across the United States utilizing its patented LPN-16 small cell technology. Wytec was incorporated in November 2011 with the purchase of five (5) United States patents (all of which have since expired) directly related to local multipoint distribution service (“LMDS”), utilized in broadband wireless access technology and originally designed for digital television transmission. In June 2014, Wytec filed a provisional patent for its small cell (“Small Cell”) infrastructure technology which we now call the “LPN-16.” In December 2017, we were granted a patent for our LPN-16 in the United States (United States Patent and Trademark Office patent number 9,807,032). The patent is described as an “Upgradeable, High Data Transfer Speed, Multichannel Transmission System (“UHTMTS”). The design of the LPN-16 has been purposed as a Small Cell device to be installed on multiple types of utility poles throughout the United States capable of supporting multiple frequencies transmitting from multiple radios without interference due to its unique patented design. Wytec believes that its most significant users will include municipal governments, cable operators, wireless Internet Service Providers (“WISPs”), and carriers. While Wytec is a public reporting company, its common stock is not yet quoted for public trading.

In April 2020, Southwest Research Institute of San Antonio, Texas (“SwRI”), a non-profit research center involved in multiple highly sensitive research projects with the United States Department of Defense (“DOD”), agreed to test our LPN-16 Small Cell technology in order to validate our LPN-16 technology as a neutral host Small Cell to support the delivery of 5G cellular services. The testing to be performed by SwRI is expected to record and validate the following results:

1. The ability of the LPN-16 to support “multiple” operators (carrier and cable) “simultaneously” within a citywide deployment.
2. Data speeds up of to 1Gbps to a limited number of users within a radius of 800 feet (about the distance between utility poles).
3. Consistent latency in single digits (i.e. the lower the latency, the quicker the connection speed between a smart device and the LPN-16).

We have developed a pathway toward achieving our 5G objective. That pathway is described in detail in the Milestone Chart, which is attached as Exhibit F to this Memorandum.

Small Cells, typically installed on utility poles or utility strands, are now becoming recognized by industry experts as a key component in the delivery of 5G cellular services. Industry experts also recognize that U.S. wireline operators (cable) are uniquely positioned to establish a “first to market” response for delivering 5G services due to their existing utility pole cable access.

In light of the introduction of the “smartphone” and its increasing number of video and data intensive applications, current carrier networks (using “macro cell” sites) are becoming increasingly challenged to support the data demand in their wide area network coverage. In order to meet this demand, carriers have accepted the fact that Small Cells will be necessary to continue supporting and expanding current and future cellphone users. The LPN-16 has been ideally designed to meet this new user demand and support the next generation of smartphones. The challenge of this new Small Cell network design is the cost per user. The cost to service a user on a Small Cell network as compared to the carrier’s current macro cell networks is higher. To align this increase in cost per subscriber, Wytec introduces a proprietary “neutral host” network architecture designed to serve multiple operators simultaneously on the same network infrastructure. This allows not only greater profit margins per user but a significantly better performance related to upload and download speeds as well as single digit latencies similar to

that of fiber optics. Wytec operates as a “wholesale” provider to the operators and does not compete with its customers on a retail level.

Wytec’s business model includes three (3) closely linked lines of business utilizing its cellular technology. Its first line of business operates as a Mobile Network Operator (“MNO”) providing cellular services to wireline providers such as cable operators under a contract arrangement called a Mobile Virtual Network Operator (“MVNO”) Agreement. Current carriers also operate under an MNO status but market to both wholesale and retail clients. This presents a significant challenge to its MVNO clients in that the carrier will always protect its existing retail subscriber base by not allowing its MVNO clients to compete at the same profit margin as the carrier. Wytec does not solicit directly to retail customers and thus is able to offer its MVNO clients more attractive profit margins while providing a superior customer experience due to the unique features in the LPN-16 small cell technology. Wytec’s LPN-16 supports the FCC’s most recent spectrum allocation called the Citizen’s Broadband Radio Service (CBRS) touted by experts to become a major support to the basis of facilitating a worldwide collaboration of 5G services. Wytec has most recently successfully completed CBRS trials in Columbus, Ohio working with the sixth largest cable operator in the U.S. The Company is now in discussion with multiple major carriers for continued trials utilizing CBRS and in negotiation with wholesale roaming support.

Wytec’s second line of business, known as In-building Cellular Enhancement, also utilizes cellular technology but focused on improving cellular signals within commercial buildings for improving cellphone coverage within a building. This has become a significant issue among local, state and federal government as it relates to public safety. As a result, legislation has now passed safety regulations requiring minimum signal strength and coverage within certain commercial buildings to ensure cellphone communication during business hours. Research confirms that millions of buildings across the U.S. do not meet the minimum requirements and are now required to update their buildings by 2021 or be issued substantial fines and/or denied building permits necessary to accommodate tenants. Wytec has now completed installations in multiple high-profile commercial buildings utilizing next generation cellular technology.

In late 2019, Wytec, participated in a request for proposal (“RFP”) submitted by the Laredo Independent School District in Laredo, Texas. The RFP specifically defined technology with which Wytec was intimately familiar and Wytec won the bid at \$986,000 with the second lowest bid being 20% higher than Wytec’s bid. Unknown to Wytec at the time, the RFP was submitted on behalf of the Central Texas Purchasing Alliance (“CTPA”) and included 125 other independent school districts (“ISDs”) in addition to the Laredo ISD. This gave Wytec “approved vendor” status, no longer requiring us to participate in RFPs within the CTPA. Rather, Wytec can be chosen (without bidding) to install its chosen technology for other CTPA members. On April 5, 2020, Wytec received its second In-Building Cellular contract from the Round Rock ISD. In addition to winning contracts with ISD,s Wytec has also been able to win projects including the Johnson Space Center, the Fountain Place Building (60 Stories) in Dallas, Texas, UMB Bank, and Whataburger Corporation. Wytec expects that this line of business will continue to grow and become a significant portion of its overall annual revenue.

Wytec, due to its patented technology relating to 5G network deployments, has developed close vendor relationships with key technology and fiber optic service companies such as Nokia, Erickson, Sprint, Wide Open West (WOW) Cable and Google. More are developing as Wytec completes its trials for 5G mobile services.

We were formed in 2011 as a wholly owned subsidiary of Competitive Companies, Inc., a Nevada corporation (“CCI”). In November 2017, CCI distributed on a pro rata basis to its shareholders all 865,552 shares of our common stock owned by it and all 1,731,104 warrants to purchase our common stock owned by it (the “Spin-Off Warrants”), in a spin-off of us by CCI.

Our executive offices are located at 19206 Huebner Road, Suite 202, San Antonio, Texas 78258 and our telephone number is (210) 233-8980. Our website address is [www.wytecintl.com](http://www.wytecintl.com).

### **Investment Analysis**

Management believes that we have strong economic prospects in light of the following dynamics of the industry and us:



1. Management believes that current and unique market forces shaping mobile broadband investments have positioned us to participate successfully in the rapid growth potential of the large carrier offload markets, and the emerging 5G service market.
2. Management believes that market demand for our products and services will increase due to advancements in Wi-Fi technology and millimeter wave development made by us, including our proprietary small cell technology, the LPN-16, and the escalating volume of data transmission requiring more broadband capacity especially for mobile devices.
3. Management believes that we have positioned Wytec to capture a respectable share of the growing demand for cellular enhancement services, alternative broadband solutions and the rising municipal interest in 5G citywide deployment.

There is no assurance that we will be profitable, or that the industry’s favorable dynamics will not be outweighed in the future by unanticipated losses and other risk factors. See “RISK FACTORS.”

### **Risk Factors**

Investors should carefully consider the various risk factors before investing in the Shares. See “RISK FACTORS.”

### **The Offering**

Common Stock offered by the Company .....	3,000,000 shares
Common Stock outstanding (1).....	5,511,040 shares
Series A Preferred Stock outstanding (2) .....	2,420,000 shares
Series B Preferred Stock outstanding (3).....	3,691,249 shares
Series C Preferred Stock outstanding (4).....	1,000 shares
Preferred and Common Stock outstanding after the offering (5).....	14,623,289 shares

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- (1) These shares are owned by 10,114 by Mr. William Gray, our chairman, chief executive officer, and president and 1,339 by Ms. Donna Ward, our chief financial officer and secretary and a director of Wytec. See “PRINCIPAL STOCKHOLDERS.”
  - (2) These shares are owned by subscribers for shares of Series A Preferred Stock issued by us as part of an exchange offer to Registered Linkholders that we made in January 2014 pursuant to Rule 506(b) of Regulation D of the Securities Act of 1933, as amended. See “INVESTMENT SUMMARY – Prior Offerings.”
  - (3) These shares are owned (i) 903,168 by subscribers for shares of Series B Preferred Stock issued by us as part of a prior private placement we made from July 8, 2016 to December 31, 2016 pursuant to Rule 506(c) of Regulation D of the Securities Act of 1933, as amended, (ii) 467,702 by subscribers for shares of Series B Preferred Stock issued by us as part of a prior private placement we made from March 14, 2016 to July 5, 2016 pursuant to Rule 506(c) of Regulation D of the Securities Act of 1933, as amended, (iii) 919,763 by subscribers for shares of Series B Preferred Stock issued by us as part of a prior private placement we made from March 16, 2015 to March 13, 2016 pursuant to Rule 506(c) of Regulation D of the Securities Act of 1933, as amended, (iv) 122,675 by noteholders of Wytec who elected to exchange their outstanding notes for shares of our Series B

Preferred Stock, (v) 22,941 by noteholders of CCI who elected to exchange their outstanding notes for shares of our Series B Preferred Stock, and (vi) 1,255,000 by Linkholders of Wytec who elected to exchange their links for shares of our Series B Preferred Stock.

- (4) These shares were issued to Mr. William Gray in July 2016, conferring upon him 51% of the votes as a shareholder on any matter submitted to a vote of the shareholders of the Company.
- (5) The total number of shares of the Company's preferred stock ("Preferred Stock") and common stock outstanding assumes that the maximum number of shares is sold in this offering, not including the exercise of the Warrants, the Concurrent Offering Warrants, the Prior Offering Warrants, or 2,128,941 additional warrants currently outstanding. See "TERMS OF THE OFFERING."

### **Prior and Concurrent Offerings**

Between June 2015 and July 2015, we agreed to convert a total of \$45,000 of CCI's outstanding convertible notes into a total of (a) 22,941 shares of our Series B Preferred Stock and (b) 34,411 common stock purchase warrants exercisable until December 31, 2017 at an exercise price of \$1.50 per share. This conversion was made pursuant to Rule 506(b) of Regulation D of the Securities Act.

On March 13, 2016, we completed a private offering of 919,763 units, raising gross capital of \$2,759,289. Each unit consisted of one share of Series B Preferred Stock and one warrant. Each warrant in each unit was exercisable at any time until December 31, 2016 at an exercise price of \$1.50 per share. This offering was made pursuant to Rule 506(c) of Regulation D of the Securities Act.

On July 5, 2016, we completed a private offering of 467,702 units, raising gross capital of \$1,403,106. Each unit consisted of one share of Series B Preferred Stock and one warrant. Each warrant in each unit was exercisable at any time until December 31, 2017 at an exercise price of \$1.50 per share. This offering was made pursuant to Rule 506(c) of Regulation D of the Securities Act.

On December 31, 2016, we completed a private offering of 903,168 units, raising gross capital of \$2,709,504. Each unit consisted of one share of Series B Preferred Stock and one warrant. Each warrant in each unit was exercisable at any time until December 31, 2017 at an exercise price of \$1.50 per share. This offering was made pursuant to Rule 506(c) of Regulation D of the Securities Act.

On April 30, 2020, we completed a private offering, pursuant to Rule 506(c) of Regulation D of the Securities Act, of 205,800 units, raising gross capital of \$1,029,000 (the "Prior Offering"). Each unit consists of one share of common stock and one common stock purchase warrant ("Prior Offering Warrant"). Each Prior Offering Warrant is exercisable for cash until December 31, 2021 at an exercise price equal to the greater of (i) \$5.00 or (ii) 85% of the average closing price of our common stock as quoted on the public securities trading market on which our common stock is then traded with the highest volume, for ten (10) consecutive trading days immediately prior to the date of exercise.

We are concurrently offering (the "Concurrent Offering"), pursuant to Rule 506(c) of Regulation D of the Securities Act, 100 units, each unit consisting of (i) \$50,000 of 7% promissory notes (the "Notes") and (ii) five thousand common stock purchase warrants (the "Concurrent Offering Warrants"). Each Note is payable principal and all accrued interest in full on or before March 31, 2021, unless extended by an additional six months in Wytec's sole discretion up to two times. Each Concurrent Offering Warrant is exercisable on a cashless basis into one share of our common stock at an exercise price of \$5.00 per share at any time until March 31, 2021, unless the Notes are extended beyond March 31, 2021, in which case the Concurrent Offering Warrants may be exercised until the maturity date of the Notes. As of the date of this offering we have sold \$625,000 of Notes and 62,500 Concurrent Offering Warrants pursuant to the Concurrent Offering.

## USE OF PROCEEDS

The maximum gross proceeds from the sale of the Shares are \$15,000,000. The net proceeds from the offering are expected to be approximately \$14,800,000 after the payment of offering costs including printing, mailing, platform, posting, technology processing, legal and accounting costs, assuming no selling commissions or finder's fees are incurred. Selling commissions of up to 6% of the gross proceeds of the offering are estimated if we engage Drexel Hamilton or another registered broker-dealer to be the placement agent for this offering. The estimate of the budget for offering costs is an estimate only and the actual offering costs may differ from those expected by management. The net proceeds from the maximum placement of the Shares will be used as follows: (1) \$1,600,000 for research and development costs, (2) \$3,400,000 for LPN-16 phase one project financing (3) \$4,000,000 for general and administrative costs, (4) \$2,000,000 for reserves, and (5) \$3,800,000 for working capital. See "BUSINESS" and "RISK FACTORS."

We may reallocate the estimated use of proceeds among the various categories or for other uses if management deems such a reallocation to be appropriate. We cannot assure that the capital budget will be sufficient to satisfy our operational needs, or that we will have sufficient capital to fund our business. See "RISK FACTORS."

## BUSINESS

### General

Wytec International, Inc., a Nevada corporation ("Wytec," the "Company," "we," "us," or "our"), is a designer/developer of wide area networks designed to support 5G deployments across the United States utilizing its patented LPN-16 small cell technology and the integration of other supporting technologies. Wytec was incorporated in November 2011 with the purchase of five (5) United States patents (all of which have since expired) directly related to local multipoint distribution service ("LMDS"), utilized in broadband wireless access technology and originally designed for digital television transmission. In June 2014, Wytec filed a provisional patent for its small cell ("Small Cell") technology which we now call the "LPN-16." In December 2017, we were granted a patent for our LPN-16 in the United States (United States Patent and Trademark Office patent number 9,807,032). The patent is described as an "Upgradeable, High Data Transfer Speed, Multichannel Transmission System ("UHTMTS"). The design of the LPN-16 has been purposed as a Small Cell device to be installed on strategically placed utility poles throughout the United States in support of a hybrid dense network necessary for the next generation of mobile communications known as 5G. Wytec designs its 5G networks capable of supporting Private LTE (Long Term Evolution) allowing its primary customers to own their own wide area networks. Private LTE networks represent the latest network developments due to the most recent FCC delivery of the Citizens Broadband Radio Service (CBRS) spectrum now included in the most recent mobile smart devices including 5G smartphones. As a result of both Private LTE and CBRS, municipal governments, cable operators, wireless Internet Service Providers ("WISPs"), and carriers are now primary customers for Wytec. While Wytec is a public reporting company, its common stock is not yet quoted for public trading.

### Industry Overview

In 2012, the Federal Communication Commission ("FCC") predicted that U.S. mobile operators would experience a significant challenge in serving America's smart devices due to an increase in mobile data usage. This accelerated growth in data traffic is being driven by a substantial increase in smart device subscriptions, and an increase in data volume per subscription, fueled primarily by the viewing of video content. The increase in data volume not only impacts individual data usage but places a substantial stress on America's communication infrastructure, which is also utilized for securing our country's government networks connected to homeland security, first responders, public safety, health care, and educational systems. Even before 4G LTE became fully deployed, carrier networks were experiencing data capacity challenges.

As a result of this increased need for greater data capacity, cellular carriers have been aggressively pursuing new technologies to manage this massive data concern. The next generation of wireless communication services,

5G, has now been introduced and is touted to be the answer to America's future communications needs, both for Wi-Fi and cellular connectivity. For the U.S. cellular industry to meet this challenge, a radical change in network architecture is needed.

Today 4G LTE data traffic depends on "Macro" cell towers for virtually all the country's cellular transmission. These towers, which are easily recognized across America's landscape, stand several hundred feet in height and support antennas six to nine feet in length. These mammoth towers cost mobile operators billions of dollars to construct and millions more to operate. Macro towers were originally designed to support cellular signals in a radius of two to three miles or more and provide service for thousands of subscribers. This design is no longer adequate to meet current consumer demand or the anticipated speeds of 5G.

To overcome this inadequacy, 5G network architecture condenses the coverage area with the use of Small Cells, with two primary objectives in mind: to increase data capacity and reduce higher-power transmission signals thus reducing dangerous radiation transmission. Most communication experts agree that Small Cells will be the driving force behind 5G services enabling gigabit speeds on essentially all communication devices, including Smartphones. Small Cells are designed to be mounted on utility poles permitting the flexibility of placement throughout a city supporting citywide ubiquitous coverage. This new architecture has now become the primary infrastructure design for "all" citywide 5G deployments. According to an article by Price Waterhouse Coopers ("PWC"), "5G networks can't succeed without a small cell revolution."

### **Connectivity for All**

Wytec owns patented Small Cell technology known as the "LPN-16". Its neutral-host design is its key differentiation from other Small Cell technologies, with its ability to support multiple spectrum usage owned and utilized by multiple mobile operators simultaneously. This multi-operator architecture is expected to be overwhelmingly accepted by city governments due to the reduced need for utility poles as compared to a single-operator Small Cell. Carriers are also expected to avidly embrace Wytec's solution due to a substantially reduced installation cost and speed of deployment.

Another key feature and differentiation of Wytec's LPN-16 design is its integration with private LTE networks. Already the City of San Antonio, in a recent article, has indicated a major initiative to deploy a citywide private network to be integrated with its school districts in support of greater distance learning capabilities and increased public safety. Though much of the funding support could rely on the Federal Relief Programs, Wytec believes that it can present a way of "self-funding" these needed initiatives through a collaboration involving existing Independent School Districts' ("ISDs") federal funds (already in place), revenue derived from a private LTE network (owned by both the city and ISD), and private funding from the capital markets.

Today, carriers dominate the mobile cellular industry, but due to 5G deployment requiring Small Cells to be installed on utility poles, city governments have significant influence over Small Cell deployments in accordance with "right of way" regulations requiring pole access. This legal authority by the municipalities has had a major impact on the slow deployment of 5G throughout America's cities. Without this legal authority, municipal governments fear that carriers could further dominate their presence by overcrowding America's utility poles with Small Cells leaving both an eyesore and potential hazards identified by the local municipalities. Wytec's LPN-16 diminishes these concerns due to its multi-carrier features allowing for multiple operators to gain access to poles and utilize the network simultaneously.

### **Revenue Opportunities**

In October 2019, Wytec, participated in a request for proposal (the "Proposal") submitted by the Laredo ISD in Laredo, Texas involving an enhanced cellular solution for the ISD. Laredo ISD is a member of the Central Texas Purchasing Alliance ("CTPA") consisting of 125 ISDs and the Laredo ISD issues the Proposal under a special "procurement process" allowing for all 125 ISDs to accept the winning bid from one vendor. Wytec won the bid on the Proposal and is now the "only" approved vendor for the chosen technology. The total number of buildings within the CTPA consists of 3,608 buildings, representing approximately 435,640,000 square feet at a winning bid of \$0.39 per square foot, producing a total CTPA buildout estimated to be approximately \$168,599,363 over a three-year period, potentially generating that much gross revenue for Wytec and its subcontractors. Wytec is now building out

its second school district under this contract and is aligning itself to manage a more aggressive build-out over the coming three-year period. In addition to the current cellular enhancement service provided by Wytec to CTPA, the Company has received a strong interest from the CTPA to construct a Private LTE solution (to include Wytec's patented LPN-16) for the CTPA, potentially representing substantially greater revenue opportunities for Wytec.

In addition to Wytec's revenue potential involving cellular enhancement and Private LTE, the Company plans to utilize its LPN-16 technology to provide wholesale services to Mobile Virtual Network Operators ("MVNO"), predominately in the cable industry. Today, cable operators are aggressively pursuing mobile product (Smartphones) solutions due to their eroding subscriber base to the carriers. This mobile service is currently offered to cable operators by virtually all carriers, but the cable operators struggle to achieve acceptable profit margins with it due to the current absence of multi-operator neutral host Small Cell technology for the networks, a weakness Wytec believes will be remedied by its LPN-16 Small Cell technology. Indeed, Wytec anticipates wide acceptance of the LPN-16 by city governments due to its multi-carrier service capability. There are 450 cable operators aggressively pursuing MVNO services in the U.S. This initiative by cable operators is anticipated to create a substantial revenue opportunity for Wytec.

As described above, Wytec's LPN-16 Small Cell offers two significant revenue opportunities involving both a potential sale of the LPN-16 to private LTE clients (such as schools and cities) and as a 5G (Wytec owned network) support to MVNO wholesale clients such as to the cable industry. In a recent publication by Allied Market Research, studies suggest that the Small Cell 5G Market will reach \$6.87 billion by 2026.

### **National Security Implications**

It is no secret that the federal government has identified 5G technology as a high priority. More than \$180 billion has been allocated to various components of 5G with **cyber-security** being at the top. A great concern expressed by the top levels of our federal intelligence divisions has been an eventual attack on America's power grid, essentially bringing down our primary economic infrastructure, including a substantial interference with America's financial markets, educational, health, and transportation systems. Recent reports indicate that the total potential cost of this type of cybercrime could exceed \$500 billion dollars.

To address these public safety concerns, Wytec recently entered into a comprehensive Contractor Service Agreement with Southwest Research Institute ("SwRI"), to support the efforts to eradicate potential cyber-attacks on America's communications networks. To address this concern, SwRI, a member of the Joint Base San Antonio Group ("JBSA"), has invited Wytec to participate as a member of the group to utilize its LPN-16 Small Cell as an open architecture project to begin testing a government approved 5G solution involving communication vulnerabilities, multi-carrier, multi-spectrum private LTE solutions, and 5G military mobile applications.

The testing to be performed by SwRI is expected to record and validate the following results:

1. The ability of the LPN-16 to support "multiple" operators (carrier and cable) "simultaneously" within a citywide deployment.
2. Data speeds up of to 1Gbps to a limited number of users within a radius of 800 feet (about the distance between utility poles).
3. Consistent latency in single digits (i.e. the connection speed between a smart device and the LPN-16).

On June 3, 2020, the Department of Defense ("DoD") selected the JBSA as a 5G Security Experimentation site, identifying the critical importance of 5G in military and civilian applications. In the announcement, Joseph Evans, DoD Technical Director for 5G, said, "5G technology is vital to maintaining America's military and economic advantages." Wytec is thrilled to be engaged with SwRI and the 5G JBSA working group to include the safety and security testing measures with the LPN-16 that will further America's data security and military needs, as well as assist in protecting America's city and school systems.

With the increased capabilities of private LTE networks, edge computing technology, and network slicing, Wytec's LPN-16 can increase network intelligence to security measures which will be tested in the upcoming San

Antonio, Texas Trials. This technology will be capable of recognizing data intrusions far sooner and stop potential cyber-attacks long before serious damage and devastating costs are incurred by the U.S. economy.

Wytec's LPN-16 has been in significant trials for more than two years and is now preparing to launch multiple 5G deployments to combat cyber-attack efforts and support multiple IOT applications. Applications will include city-safety measures, gun-shot detection; protection of America's power grid; greater security to medical facilities; and enhance commercial buildings including education districts with Private LTE technology. Included in its most recent Trials, Wytec received FCC approval to test commercial access to the Citizens Broadband Radio Service (CBRS), which was originally authorized for the US Navy radar operators and fixed satellite services. In September 2019, the FCC commercialized the CBRS spectrum in the General Authorized Access (GAA) band thereby allowing Wytec to utilize this expansive spectrum for its technology trials prior to a citywide deployment, and for ultimate deployment for commercial use.

### **Wytec's Network Infrastructure- Supporting Wytec Products/Services**

The LPN-16, recognized by the U.S Patent and Trademark Office as Patent number 9,807,032, is an "Upgradeable, High Data Transfer Speed, Multichannel Transmission System." The LPN-16 is a local area network system that includes modular, multi-frequency, multi-channel, upgradable transmission nodes. The transmission nodes can include one or more independent RF modules. They may be configured to include 802.11ac and evolve to LTE and other technology and frequency bands as well as software defined radio attributes. The LPN-16 provides transmission and network services for wireless data, wireless video, wireless voice, voice over internet protocol ("VoIP"), local portal for emergency services, mesh node from one transmission to the next, single channel transmission, multi-channel transmission, Wi-Fi access as well as a number of other similar services. We believe this range of services and the timeline of 5G networks needing small cell capabilities squarely places Wytec in the path of serving several substantial markets such as small cells as a service, outdoor Wi-Fi, the Internet of Things, and a host of other related telecommunications services.

**Fixed Wireless:** Wytec currently offers a fixed wireless broadband solution originating from its millimeter wave Diamond Ring directly to a customer's premises via a wireless local area network ("WLAN") connection operating in a 5GHz Wi-Fi radio channel. One hundred (100) Mbps speeds are easily obtainable with the ability to increase to one (1) gigabit or more utilizing Wytec design modifications. Additionally, Wytec has developed a unique broadband Internet feature known as "FlexSpeed" which enables customers to modify their Internet service by increasing their upload and/or download speeds. In a recent survey conducted by Galloway Research, over 80% of the respondents indicated their interest in a variable speed Internet service.

Recently, DSL (i.e. digital subscriber line) technology has made vast technology improvements in the "distribution points" connecting a DSL service. This new technology, called "G.Fast", can support broadband speeds up to one (1) gigabit per second with the use of advanced Distribution Point Units ("DPU") while still utilizing existing installed (dormant) copper wire and/or coax cable. We believe this produces enormous cost savings and underpins Wytec's FlexSpeed service as a viable alternative to fiber and cable within multi-tenant/MDUs. As Wytec extends its FlexSpeed services to MDU residential and commercial facilities, management anticipates accelerated subscriber growth at a greatly reduced cost.

**SmartDAS:** We believe Wytec offers a powerful alternative to the in-building cellular enhancement market which consists of signal boosters, small cells and related indoor distributed antenna systems ("DAS"). DAS is designed to strengthen cellular signals in facilities where materials interfere with cellular frequencies and diminish the quality of a cellular call or data usage. DAS may be deployed indoors (an iDAS) or outdoors (an "oDAS"), and is a way to deal with isolated spots of poor cellular coverage inside a large building by installing a network of relatively small antennas throughout the building to serve as repeaters. Traditional DAS requires the support of the carrier to allow access to their network and can take weeks if not months to obtain.

We believe that our SmartDAS, costing about one third (1/3) that of traditional DAS, is a viable alternative solution without the tedious and sometimes delayed support of the carriers. Wytec has established a valuable vendor relationship with Nextivity, the inventor and patented owner of the underlying technology in our branded SmartDAS service. Wytec believes that it is a premier provider of this technology within the U.S.

Wytec, with its preferred vendor relationship with Nextivity, expects to generate significant revenues deploying SmartDAS services while simultaneously developing its FlexSpeed services within the same buildings.

**4G LTE:** Wytec has secured a wholesale agreement through a Mobile Virtual Network Enabler (“MVNE”) allowing Wytec to access most of the largest carrier’s 4G LTE network operations in the U.S. The 4G LTE cellular network represents the largest cellular deployment in the world and is still growing. Recently, the carriers have developed a wholesale service allowing qualified partners to re-sell the data portion of the 4G network as a secondary connection for a business “back-up” or “fail-over” in the event the customer’s primary Internet connection fails.

Recent studies indicate that the “downtime” that a business experiences during the failure of its primary service is costly and disruptive. As a result of this primary service failure, the carriers developed a “fail-over” or “back-up” service utilizing the 4G network connection. Wytec has exploited its wholesale agreement in developing its own proprietary version of a 4G “fail-over” product to serve the Small Medium Business (“SMB”) Market. This has allowed Wytec to leverage a massive existing network to expand its subscriber base while constructing its 5G network.

## **Competition**

There are numerous existing and commercially available methods of providing both Small Cell technology, site rental and high-speed Internet to multi-tenant commercial and residential units. This makes the telecommunications industry highly competitive, rapidly evolving, and subject to rapid technology changes. Additionally, there are numerous telecommunications service companies that conduct extensive advertising campaigns to capture market share. We believe the principal competitive factors affecting our lines of business for LPN-16 placement and our hybrid network Internet service will be our time to market in traditionally underserved areas, differentiated service offerings such as FlexSpeed, Internet failover, and our SmartDAS™ service, as well as traditional business strategies for meeting market pricing levels and clear pricing policies, customer service, and the variety of services offered.

Although we believe our FlexSpeed™, SmartDAS™, and related services allow for market rate pricing, our ability to compete effectively will depend upon our continued capacity to maintain high-quality, market-driven services at prices generally equal to or below those charged by competitors. To maintain a competitive posture, we believe that we may need to reduce our prices in order to meet reductions in rates, if any, by others. Any such reductions could reduce profitability and make it cost prohibitive to continue as a going concern. Many of our current and potential competitors have more financial, personnel and other resources than Wytec, including brand name recognition as well as other competitive advantages.

**Competition by Equipment (Small Cell).** The Hetnet Bible issued by SNS Research has identified approximately 19 small cell vendors offering small cell equipment to network developers. Most, if not all of those vendors utilize the same chipset and provide nearly identical form factors (housing) with standard rooftop installations. We are, however, unaware of a single manufacturer who has developed an outdoor small cell device capable of transmitting multiple frequencies on multiple channels from a single device at a single site location without frequency interference such as the LPN-16 small cell technology. We believe our LPN-16 small cell access point will set a new standard in the mobile broadband industry. Wytec is now listed in the updated HetNet Bible version 2014-2020 Report on Small Cells, Carrier Wi-Fi, and DAS.

**Competition by Service: (Site Rental).** Driven by the thriving ecosystem, SNS Telecom expects small cells and carrier Wi-Fi deployments to account for nearly \$352 billion in worldwide mobile data service revenues by the end of 2020, while overall spending on heterogeneous network infrastructure is expected to reach \$42 billion annually during the same period. This expected growth has led to numerous competitors who offer site rental services for carriers seeking to attach small cells to utility poles and other mounting assets. Two of the largest publicly traded and national site rental, small cell and DAS network providers are Crown Castle and American Tower.

**Crown Castle** operates as a real estate investment trust. The company provides broadcast, data, and wireless communications infrastructure services in the US. Wireless carrier customers lease antenna

space on Crown Castle's owned or managed towers and distributed antenna systems (“DAS”). It has about 40,000 tower sites and 25,000 small cell nodes supported by more than 26,500 miles of fiber. The company also designs networks, selects and develops sites, and installs antennas. On December 16, 2011, Crown Castle purchased NextG Networks for \$1.0 billion in cash. At the time, NextG was the largest U.S. provider of outdoor distributed antenna systems with over 7,000 nodes-on-air and with an additional 1,500 nodes under construction.

**American Tower** rents space on towers and rooftop antenna systems to wireless carriers and radio and TV broadcasters who use the infrastructure to enable their services. It operates about 40,000 wireless towers in the US, some 57,000 in India, and roughly 43,000 throughout the rest of the world. Its portfolio includes approximately 800 distributed antenna system networks used mainly for indoor communications (malls, casinos, etc.). American Tower also offers tower-related services such as site acquisition, structural analysis to determine support for additional equipment, and zoning and permitting management services.

***Competition by Service (Internet).*** There are a substantial number of local, regional, and national residential and commercial Internet Service Providers (“ISPs”) hosting data, voice and texting services in the United States. Publicly traded brands such AT&T, Verizon, T-Mobile, Sprint, Cox Communications, Spectrum, Comcast, and Tower Stream all provide both commercial and/or residential cellular and wired Internet services. Although we have our own hybrid wired-wireless network for delivering our own branded version of 5G Internet services, we also provide, through wholesale agreements, a 4G LTE voice, text and data service through four of the largest U.S. wireless carriers. These services have significant competition from the carriers providing similar services at less cost and using other communications technologies unavailable to us, as well as having substantial financial resources and brand awareness that we do not have. While some of these technologies and services are now operational, others are being developed or may be developed. As a 4G LTE MVNO, we compete for customers based principally on providing better and lower cost services. Our primary 4G LTE service offering is a wireless automatic Internet failover service.

***SmartDAS™ Competition.*** SmartDAS™ is an alternative to DAS, which according to Markets and Markets, was valued at USD \$6.71 billion in 2015 and expected to reach USD \$10.78 billion by 2022. The DAS industry is dominated by substantially well financed vendors such as CommScope, TE Connectivity (purchased by CommScope), Axell, Corning, Solid and other large DAS providers. Cel-Fi (owned by Nextivity) is a new comer in the DAS market with an alternative solution costing one-third the current cost of DAS.

## **Intellectual Property**

Wytec owns an interest in five (5) U.S. patents related to local multipoint distribution service (“LMDS”) or millimeter technology, all of which are now expired. In April 2014, the Company filed a provisional patent representing the LPN-16 Small Cell device. In March 2015, the Company filed a Taiwanese Patent Application along with Patent Cooperation Treaty (PCT) application for patent filings in additional countries. In May 2017, Wytec was granted a patent for its LPN-16 technology and device by the United States Office of Patents and Trademarks, patent number 9,807,032. We cannot assure that we do not and will not infringe on the intellectual property rights of other parties, or that our patents will be enforceable. We may be subject to legal proceedings and claims in the ordinary course of business and third parties may sue us for intellectual property infringement or initiate proceedings to invalidate our intellectual property. Moreover, should we be found liable for infringement, we may be required to enter into licensing agreements (if available on acceptable terms or at all), pay damages or curtail our product and service offerings. We may also need to redesign some of our products or services to avoid future infringement liability. Any of the foregoing could prevent us from competing effectively and could adversely affect our business.

## **Government Regulation**

Wytec generally is subject to all of the governmental regulations that regulate businesses generally such as compliance with regulatory requirements of federal, state, and local agencies and authorities, including regulations concerning the environment, permits for certain activities, workplace safety, labor relations, employee rights, and government taxes. The adoption of any additional laws or regulations may decrease the growth of our



business, decrease the demand for services and increase our cost of doing business. Changes in tax laws also could have a significant adverse effect on our operating results and financial condition.

### **Employees**

As of the date of this Memorandum, we have nine full-time employees. Currently, there are no organized labor agreements or union agreements between us and our employees. Assuming we are able to earn additional revenue through organic growth, acquisitions and strategic alliances during 2020 and 2021, we may need to hire additional employees. In the interim, we intend to use the services of independent consultants and contractors to perform various professional services when appropriate. We believe the use of third-party service providers may enhance our ability to control general and administrative expenses and operate efficiently.

### **Property**

We currently lease approximately 3,395 square feet of office space at 19206 Huebner Road, Suite 202, San Antonio, Texas 78258 and 2,210 square feet of office space at 19206 Huebner Road, Suite 201, San Antonio, Texas 78258 for approximately \$6,100 per month.

### **Seasonality**

Our operations are not expected to be materially affected by seasonality.

## **RISK FACTORS**

The purchase of shares of our common stock involves risks. Each prospective investor should carefully consider the following risk factors, in addition to any other risks associated with this investment, and should consult with his own legal and financial advisors.

### **Cautionary Statements**

The discussions and information in this Memorandum may contain both historical and forward-looking statements. To the extent that the Memorandum contains forward-looking statements regarding the financial condition, operating results, business prospects, or any other aspect of our business, please be advised that our actual financial condition, operating results, and business performance may differ materially from that projected or estimated by us in forward-looking statements. We have attempted to identify, in context, certain of the factors we currently believe may cause actual future experience and results to differ from our current expectations. The differences may be caused by a variety of factors, including but not limited to, adverse economic conditions, lack of market acceptance of our products and services, losses from theft, intense competition, including entry of new competitors, adverse federal, state, and local government regulation, unexpected costs and operating deficits, lower sales and revenues than forecast, default on leases or other indebtedness, loss of suppliers, loss of supply, distribution and service contracts with customers, price increases for capital, supplies and materials, inadequate capital, inability to raise financing, obligation to make cash refunds or repurchases of remaining outstanding registered Links, loss of customers and failure to obtain new customers, the risk of litigation and administrative proceedings involving us and our employees, loss of government licenses and permits, higher than anticipated labor costs, the possible acquisition of new businesses or products that result in operating losses or that do not perform as anticipated, resulting in unanticipated losses, further dilution of ownership in the Company caused by the issuance of more securities, the possible fluctuation and volatility of our operating results and financial condition, adverse publicity and news coverage, inability to carry out marketing and sales plans, loss of key executives, changes in interest rates, inflationary factors, and other specific risks that may be alluded to in this Memorandum or in other reports issued us.

***If we are unable to renew lease agreements for the locations where our equipment is installed, our business could be harmed.*** We constructed our first wireless network in Columbus, Ohio to include the installation of our millimeter wave equipment on selective rooftops and other structures (our Diamond Ring) pursuant to lease or license agreements designed to send and receive wireless signals necessary for the operation of the network.

While we have tested this network, we have not yet launched it for daily commercial operations and have not yet built any other networks, although we are currently doing several cellular enhancement installation. Nevertheless, we would typically seek five year initial terms for our leases with three to five year renewal options. Such renewal options are generally exercisable at our discretion before the expiration of the current term. If these leases are terminated or if the owners of these structures are unwilling to continue to enter into leases or licenses with us in the future, or breach those agreements with us, we would be forced to seek alternative arrangements with other building owners or providers. If we are unable to continue to obtain, retain or renew such leases on satisfactory terms, our business would be harmed.

***We have a history of operating losses and expect to continue incurring losses for the foreseeable future.***

Our current business was launched in 2011 and has incurred losses in each year of operation. We cannot anticipate when, if ever, our operations will become profitable. We expect to incur significant net losses as we invest in our technology, expand our markets and pursue our business strategy. We intend to invest significantly in our business before we expect cash flow from operations to be adequate to cover our operating expenses. If we are unable to execute our business strategy and grow our business, either as a result of the risks identified in this section or for any other reason, our business, prospects, financial condition and results of operations will be adversely affected.

***We are selling telecommunications equipment and services that are relatively new in our portfolio, and the revenue model for them is uncertain.*** We do not have extensive experience in pricing and billing SmartDAS™ and FlexSpeed™ services, nor have we yet deployed LPN-16 with our networks or charged anyone for its capabilities. There is a risk that we may not price and bill sufficiently for our products and services to earn a profit, especially in the early stages of our sale and installation of them. We may continue to incur operating losses even as our sales and revenue increase.

***Wylink, Inc.'s Link Program was terminated and we have liability with respect to the remaining outstanding Links.*** Through January 2016, Wytec had been relying primarily on the sale of registered links and related equipment and services (“Links”) through Wylink, Inc., its wholly owned subsidiary, for revenue and working capital. Wylink terminated the offer and sale of Links in January 2016, except for two sales in July 2016. From June 2016 to December 2017, Wytec had been offering to buy back Links in consideration for the issuance of its Series B Preferred Stock and warrants at \$3.00 per unit (i.e. one share of Series B Preferred Stock and one warrant exercisable at \$1.50 per share until December 31, 2018). Subsequently, in 2018, Wytec has been making exchange offers for Links by offering shares of common stock and warrants for them. As of April 30, 2019, we had repurchased all but 53 outstanding Links that currently remain with third party owners. Those outstanding Links include 13 that are activated and 40 that are not yet and may not be activated. We are generally retaining activated (“live”) Links that are repurchased by us and letting pending Links lapse for the present. Once Links were sold, Wytec incurred substantial costs to provide equipment and make related lease payments on activated Links. The Company has recently shifted its focus to the SmartDAS™ and FlexSpeed™ cellular and Wi-Fi enhancement services, respectively, and to LPN-16. Consequently, the Company does not plan to sell, lease, use or activate any more Links. In fact, it plans to continue to try to repurchase them to give Linkholders a better opportunity to monetize their purchase of them and to strengthen the Company’s balance sheet by having holders exchange them for equity. We have recorded a current liability for “other payables” on our balance sheet for the remaining outstanding Links. To date, we have sold \$625,000 of the promissory notes and warrants to one accredited investor. There is no assurance that the Company will be able to retire the rest of the outstanding Links, or that it will not have claims asserted by Linkholders against it for forced activations and lease renewals or refunds.

***Our success depends in part on the results of current and planned tests of our proprietary LPN-16 technology.*** Testing thus far has included environmental and radio frequency interference testing with our manufacturer and multiple speed tests utilizing an integrated 2.4GHz and 5GHz Qualcomm 802.11ac chipset which we completed in December of 2014. Additional tests will include proof of concept testing for network load balancing, public safety Band 14 and mobile network operator mobile data offloading, and WiFi and backhaul network testing. While we expect future tests of our LPN-16 to go well since preliminary testing of the technology in San Antonio, Texas was positive, the LPN-16 may not work as we have currently designed and constructed it, causing us material delays and harm. If the LPN-16 fails the upcoming tests or the tests are materially delayed, it could have a material adverse impact on our financial condition, operating results, and business performance. The timing of the commencement of the launch of the LPN-16 product line is currently uncertain, and may be delayed

until we have more capital to fund it. There is no assurance that our LPN-16 or any other proprietary technology that we develop will be successful, will work as planned, or can be commercialized or monetized profitably.

***If the comprehensive testing to be conducted by the Southwest Research Institute does not yield favorable results, the execution of our business plan could be delayed or otherwise adversely effected.*** We are planning to conduct comprehensive trials in the near future with Southwest Research Institute to test the efficacy of the LPN-16, and while we expect good results with respect to transmission speed, capacity, latency, clarity, and related performance parameters, there is no assurance that the actual results will not be less than expected. There is no assurance as to the date on which the trials will be conducted and completed. The trials with satisfactory results are a necessary predicate to commercializing and deploying our LPN-16 Small Cell technology. There is no assurance as to the performance results that will be experienced in the upcoming trials. If the results are not satisfactory, we will be delayed in the execution of our business plan, our costs will rise as we make necessary adjustments to the prototypes, and our anticipated revenue will be reduced or delayed.

***We must adapt quickly to changes in technology.*** Telecommunications technology is a rapidly evolving technology. We must keep abreast of this technological evolution. To do so, we must continually improve the performance, features and reliability of our equipment and related products. If we fail to maintain a competitive level of technological expertise, then we will not be able to compete in our market.

***Our inability to respond timely to technological advances could have an adverse effect on our business.*** We must be able to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. We can offer no assurance that we will be able to successfully use new technologies effectively or adapt our products and services in a timely manner to a competitive standard. If we are unable to adapt in a timely manner to changing technology, market conditions or customer requirements, then we may not be able to successfully compete in our market.

***We may not be able to withstand fluctuations in our industry because our business is not diverse.*** We have limited financial resources, so it is unlikely that we will be able to diversify our operations. Our probable inability to diversify our activities into more than one area will subject us to economic fluctuations within a particular industry and therefore increase the risks associated with our operations.

***Our ability to protect our intellectual property is uncertain.*** We assigned our five Patents to our subsidiary, Wytec, LLC, which was then managed and 50% owned by General Patent Corporation. General Patent Corporation (“GPC”), the oldest patent enforcement firm in the United States, represents clients on patent enforcement rights and licensing transactions on a contingency basis. GPC was the manager of Wytec, LLC until 2017, when it assigned all of its rights in Wytec, LLC back to us. After extensive research and analysis, GPC elected not to assert infringement claims for the Patents on behalf of us and itself through Wytec, LLC. All five patents have expired. We re-acquired the 50% of Wytec, LLC that we did not already own, and became the manager of it. In 2014, we filed a new provisional patent application for our proprietary LPN-16 data transmission technology. We have applied for additional patents and may do so in the future. On October 31, 2017, we received our Patent on the LPN-16. There is no assurance that this patent or any other patent that may be granted to us, if any, in the future will be enforceable. We will have limited resources to fight any infringements on our proprietary rights and if we are unable to protect our proprietary rights or if such rights infringe on the rights of others, our business would be materially adversely affected. The current manufacturer of our LPN-16 owns the intellectual property rights to certain software used in the device, for which our license is only exclusive for the first three years of sales, after which it is nonexclusive in perpetuity. This arrangement may enable our competitors to more readily enter the market for this type of equipment.

***Our business may be adversely affected by competition.*** The telecommunications industry is highly competitive. Many of our current and potential competitors have financial, personnel and other resources, including brand name recognition, substantially greater than ours, as well as other competitive advantages over us. Certain competitors may be able to secure products from vendors on more favorable terms, devote greater resources to marketing and promotional campaigns, and adopt more aggressive pricing than we will. We cannot assure that we will be able to compete successfully against these competitors, which ultimately may have a materially adverse effect on our business, results of operations, financial condition and potential products in the future.

***Our business is subject to government regulation.*** Our registered Links and other aspects of our telecommunication business are subject to and designed to comply with the regulations of the FCC. A change in those regulations or significant diminution of the right to access, use or license of the spectrum acquired in our registered Link program may have a material adverse effect on our operating results, financial condition, and business prospects and performance. We are also subject to regulations applicable to businesses generally, including without limitation those governing employment, construction, permit requirements, the environment, and health and safety, those governing the telecommunications industry, and the FCC. The adoption of any additional laws or regulations may decrease the growth of our business, decrease the demand for services and increase our cost of doing business. Changes in tax laws also could have a significant adverse effect on our operating results and financial condition.

***We cannot assure that we will achieve profitability.*** We cannot assure that we will be able to operate profitably in the future. Profitability, if any, will depend in part upon our ability to successfully develop and market our proprietary telecommunications technology, and other products and services. We may not be able to successfully transition from our current stage of business to a stabilized operation having sufficient revenues to cover expenses. While attempting to make this transition, we will be subject to all the risks inherent in a small business, including the need to adequately service and expand our customer base and to maintain and enhance our current services.

***We are exposed to various possible claims relating to our business and we may not have sufficient insurance to fully protect us.*** We cannot assure that we will not incur uninsured liabilities and losses as a result of the conduct of our business, even though we currently maintain insurance policies for liability and property insurance coverage, along with workmen's compensation and related insurance. Should uninsured losses occur, our investors could lose their invested capital.

***We may incur additional indebtedness.*** We cannot assure that we will not incur additional debt in the future, that we will have sufficient funds to repay our indebtedness or that we will not default on our debt, jeopardizing our business viability. Furthermore, we may not be able to borrow or raise additional capital in the future to meet our needs or to otherwise provide the capital necessary to conduct our business. We are currently conducting a Concurrent Offering of promissory notes and warrants seeking to raise up to \$5,000,000 of additional capital. To date, we have sold \$625,000 of the promissory notes and warrants to one accredited investor.

***We expect to incur losses for the near future.*** We project that we will incur development and administrative expenses and operate at a loss for the foreseeable future unless we are able to generate substantial revenues from our planned proprietary products and services. We cannot be certain whether or when we will be able to achieve profitability because of the significant uncertainties with respect to our business.

***We may incur cost overruns.*** We may incur substantial cost overruns in the development and deployment of our proprietary products and services. Management is not obligated to contribute capital to us. Unanticipated costs may force us to obtain additional capital or financing from other sources or may cause us to lose our entire investment in our business if we are unable to obtain the additional funds necessary to implement our business plan. We cannot assure that we will be able to obtain sufficient capital to successfully implement our business plan. If a greater investment is required in the business because of cost overruns, the probability of earning a profit or a return on investment in us is diminished.

***We could be subject to liens.*** If we fail to pay for materials and services for our business on a timely basis, our assets could be subject to material men's and workmen's liens. We may also be subject to bank liens in the event that we default on loans from banks, if any.

***We may face litigation in the future.*** We may incur substantial legal fees and costs in connection with future litigation, if any. The Company carries Officers' and Directors' liability insurance, as well as other forms of insurance customarily carried by companies such as Wytec, but there is no assurance that our insurance policies will be adequate to cover all of our litigation costs. There is also a risk that we could face litigation and regulatory claims that could have a material adverse effect on our financial condition, operating results, and business. For example, a former Linkholder and current Series B Preferred Stockholder of the Company has requested a refund of his payments to Wytec. While the Company does not believe that this individual is entitled to a refund, the

Company has been amenable to refunding him, but not in excess of the amount he paid for his Links, which he previously exchanged for the Series B Preferred Stock that he currently owns. If this individual does not accept the Company's offer and commences litigation or the Company becomes involved in other litigation, there could be a material adverse effect on the Company.

***We may not have adequate funds to implement our business plan.*** We have limited capital available to us. Although we anticipate securing additional funding from the issuance of additional securities, we cannot assure that we will secure all or any of the funding we anticipate. If our entire original capital is fully expended and additional costs cannot be funded from borrowings or capital from other sources, then our financial condition, results of operations and business performance would be materially adversely affected. We cannot assure that we will have adequate capital or financing to conduct our business or to grow.

***Our limited resources may prevent us from retaining key employees or inhibit our ability to hire and train a sufficient number of qualified management, professional, technical and regulatory personnel.*** Our success may also depend on our ability to attract and retain other qualified management and personnel familiar in telecommunications industry. Currently, we have a limited number of personnel that are required to perform various roles and duties as a result of our limited financial resources. We intend to use the services of independent consultants and contractors to perform various professional services, when appropriate to help conserve our capital. If and when we determine to acquire additional personnel, we will compete for such persons with other companies and other organizations, some of which have substantially greater capital resources than we do. We cannot provide any assurance that we will be successful in recruiting or retaining personnel of the requisite caliber or in adequate numbers to enable us to conduct our business.

***The loss of the services of any or our management or key executives could adversely affect our business.*** Our success is substantially dependent on the performance of our executive officers and key employees. The loss of an officer or director could have a material adverse impact on us. We are generally dependent upon our primary executive officer, William H. Gray, for the direction, management and daily supervision of our operations. We do not currently have any employment agreements with any members of our management team.

***The consideration being paid to management has not been determined at arm's-length.*** The common stock and cash consideration being paid by us to our management have not been determined based on arm's-length negotiation. We may grant stock options and other equity incentives to our executive officers and directors, which may further dilute our shareholders' ownership of us. While management believes that the consideration is fair for the work being performed, there is no assurance that the consideration to management reflects the true market value of its services.

***Directors and officers have limited liability.*** As permitted by the Nevada General Corporation Law, our certificate of incorporation and by-laws limit the personal liability of our directors and officers and authorize our indemnification of them, but such provision does not eliminate or limit the liability of a director or officer in certain circumstances, such as for: (i) any breach of the director's or officer's duty of loyalty to the corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the Nevada General Corporate Law; or (iv) for any transaction from which the director derived an improper personal benefit. If we were called upon to perform under our indemnification agreement, then the portion of our assets expended for such purpose would reduce the amount otherwise available for our business.

***Global and regional economic conditions could materially adversely affect the Company's business, results of operations, financial condition and growth.*** Adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment and currency fluctuations could materially adversely affect demand for the Company's products and services. In addition, consumer confidence and spending could be adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, changes to fuel and other energy costs, labor and healthcare costs and other economic factors.

In addition to an adverse impact on demand for the Company's products, uncertainty about, or a decline in, global or regional economic conditions could have a significant impact on the Company's suppliers, contract manufacturers, logistics providers, distributors, cellular network carriers and other channel partners. Potential effects include financial instability; inability to obtain credit to finance operations and purchases of the Company's products; and insolvency.

A downturn in the economic environment could also lead to increased credit and collectability risk on the Company's trade receivables; the failure of derivative counterparties and other financial institutions; limitations on the Company's liquidity, which is currently minimal; and declines in the fair value of the Company's financial instruments. These and other economic factors could materially adversely affect the Company's business, results of operations, financial condition and growth.

The Company's ability to compete successfully depends heavily on its ability to ensure a continuing and timely introduction of innovative new products, services and technologies to the marketplace.

***The Company could be subject to changes in its tax rates, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities.*** The Company is subject to taxes in the U.S. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. The Company's effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. The Company is also subject to the examination of its tax returns and other tax matters by the U.S. Internal Revenue Service and other tax authorities and governmental bodies. The Company regularly assesses the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of its provision for taxes. There can be no assurance as to the outcome of these examinations.

***Impact of COVID-19 on Wytec's business.*** Wytec expects delays in the commencement of its next installation with the Laredo, Texas school district because district staff has not been consistently available to coordinate the installation of the Company's equipment at their schools as a result of the COVID-19 pandemic. The Company also expects that as state actions in response to COVID-19 continue to disrupt commerce at all levels of industry, the Company will experience delays in its supply chain. Although the Company is taking measures to mitigate the effect of COVID-19 on the Company's business as much as possible, the Company is unable to predict the overall impact of the pandemic on the Company at this time.

## **Risks Relating To Our Common Stock**

***No market for our common stock currently exists, and an active trading market may not develop or be sustained. Our stock price may fluctuate significantly.*** There is currently no public market for our common stock. We intend to apply to have our common stock quoted and traded on the OTC-QX Market, or the NASDAQ Capital Market with the assistance of Drexel Hamilton, LLC, our investment banking firm. There is no assurance that the Company's application for listing its common stock for trading on the NASDAQ Capital Market will be accepted. In order to have our common stock quoted for public trading on the OTC-QX Market, which is an over-the-counter market, not an exchange, we must have a market maker registered with FINRA to sponsor our application for a trading symbol for that over-the-counter market. There is no assurance that we will find a market maker to sponsor our common stock for public trading. An active trading market for our common stock may not develop or may not be sustained in the future. The lack of an active market may make it more difficult for stockholders to sell our shares and could lead to our share price and trading volume being depressed or volatile. We cannot predict the prices at which our common stock may trade. The market price of the common stock may fluctuate widely and decline, depending on many factors, some of which may be beyond our control.

***There is no assurance that we will be acquired by another company at an advantageous price on acceptable terms.*** A potential exit strategy for our shareholders includes a possible sale of the Company to a third party buyer at an acceptable price. There is no assurance that such an opportunity will arise, and price and terms would have to be acceptable to management and likely to the holders of at least a majority of our outstanding voting securities.

***The exercise price of the Warrants may be adjusted higher in the future, depending on the public trading price of our common stock.*** The exercise price of the Warrants may be adjusted to be the greater of (i) \$5.00 or (ii) 85% of the average closing price of our common stock as quoted on the public securities trading market on which our common stock is then traded with the highest volume, for ten (10) consecutive trading days immediately after the first day of public trading of our common stock if and when our common stock commences public trading on the NASDAQ Capital Market or better. If our common stock is not publicly traded, then the exercise price will remain at \$5.00 per share.

***The concentration of our capital voting stock ownership may limit our stockholders' ability to influence corporate matters and may involve other risks.*** William H. Gray, our chief executive officer, is currently the beneficial owner of an aggregate (not subject to dilution) of approximately 51% of Wytec's outstanding voting power. As a result of such stock ownership, Mr. Gray is able to exercise significant control over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing a change in control and might adversely affect the market price of our common stock. This concentration of ownership may not be in the best interests of all of our shareholders.

***Your percentage ownership in us may be diluted in the future.*** Our board of directors has the authority to cause us to issue additional securities and convertible securities at such prices and on such terms as it determines in its discretion without the consent of the stockholders, including without limitation common stock, preferred stock, warrants, stock options, and convertible notes. Consequently, our shareholders are subject to the risk that their ownership in us will be substantially diluted in the future.

***We may not pay dividends in the future. Any return on investment may be limited to the value of our common stock.*** We do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on our common stock will depend on earnings, financial condition, and other business and economic factors affecting us at such time as our board of directors may consider relevant. Our current intention is to apply net earnings, if any, in the foreseeable future to increasing our capital base and marketing. Prospective investors seeking or needing dividend income should therefore not purchase our common stock. If we do not pay dividends, our common stock may be less valuable because a return on investment will only occur if our stock price appreciates.

***Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.*** If our stockholders sell substantial amounts of our common stock in the public market if one ever develops, or upon the expiration of any statutory holding period under Rule 144 or issued upon the exercise of outstanding options or warrants, it could create a circumstance commonly referred to as an "overhang", in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

***Our stock price may be volatile.*** The market price of our common stock may be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock in general.

## **Risks Relating To This Offering**

***We are offering Units on a best efforts basis.*** The Units are offered on a "best efforts" basis. We cannot assure that all or any specified number of the Units will be sold and the desired capital raised through this offering. Our proposed operations are subject to all the risks inherent in a growing business enterprise, including the likelihood of operating losses.

***There is no minimum capitalization required in this offering.*** We cannot assure that all or a significant number of Units will be sold in this offering. Investors' subscription funds will be used by us as soon as they are received, and no refunds will be given if an inadequate amount of money is raised from this offering to enable us to

conduct our business. Management has no obligation to purchase Units. If we raise less than the entire amount that we are seeking in the offering, then we may not have sufficient capital to meet our operating requirements. We cannot assure that we could obtain additional financing or capital from any source, or that such financing or capital would be available to us on terms acceptable to us. Under such circumstances, investors in the Units could lose their investment in us. Furthermore, investors who subscribe for Units in the earlier stages of the offering will assume a greater risk than investors who subscribe for Units later in the offering as subscriptions approach the maximum amount.

*The exemptions upon which we are relying for this offering may not be available.* This offering has not been registered under the Securities Act of 1933, as amended (the “Securities Act”) in reliance upon the “private offering” exemption contained in Section 4(a)(2) and Rule 506(c) of Regulation D of the Securities Act. It is currently anticipated that reliance will also be made on similar available exemptions from securities registration under applicable state securities (“Blue Sky”) laws. We cannot assure that the offering presently qualifies or will continue to qualify under such exemption provisions. Furthermore, unlicensed finders referring investors to us, if any, may be deemed to be broker-dealers who should be licensed under federal and state law. If suits for rescission are brought under the Securities Act or state law and successfully concluded for failure to register this offering or for acts or omissions constituting offenses under the Securities Act, the Securities Exchange Act of 1934, as amended, or under Blue Sky laws, both our capital and assets could be adversely affected, thus jeopardizing our ability to operate successfully. Further, our time and capital could be adversely affected by our need to defend any action by investigators of government agencies, even when we are ultimately exonerated.

## DIVIDEND POLICY

We have not declared or paid any cash dividends and do not intend to pay cash dividends in the near future on the shares of common stock. Cash dividends, if any, that may be paid in the future to holders of common stock will be payable when, as and if declared by our board of directors, based upon the board’s assessment of our financial condition, our earnings, our need for funds, whether any preferred stock is outstanding, to the extent the preferred stock has a prior claim to dividends, and other factors including any applicable laws. We are not currently a party to any agreement restricting the payment of dividends. See “DESCRIPTION OF SECURITIES.”

## CAPITALIZATION

The following table sets forth as of December 31, 2019 (i) our capitalization and (ii) our capitalization as adjusted to reflect the sale in this offering of \$15,000,000 of common stock at a purchase price of \$5.00 per share, and the application of the estimated net proceeds from the sale of the offering as described under “USE OF PROCEEDS.” The table does not reflect any actual or potential sales of our securities that may be made in the Concurrent Offering after December 31, 2019.

	<b><u>December 31, 2019 (Audited)</u></b>	
	<b><u>Actual</u></b>	<b><u>As Adjusted (1)</u></b>
Long Term Debt:	\$ 237,042-	\$ 237,042
Shareholders’ Equity:		
Common Stock, par value \$0.001 per share, 495,000,000 shares authorized, 5,429,566 shares issued and outstanding (2)(3), 8,429,566 shares issued and outstanding, as adjusted (2)(3)	\$ 29,574	\$32,574
Preferred Stock, par value \$0.001 per share, 20,000,000 shares authorized, 2,460,000 shares of Series A Preferred Stock issued and outstanding (3) 3,691,249 shares of Series B Preferred Stock	\$ 2,560	\$ 2,560



issued and outstanding	\$ 3,735	\$ 3,735
1,000 shares of Series C Preferred Stock issued and outstanding	\$ 1	\$ 1
Additional Paid in Capital	\$25,242,127	\$40,039,127
Retained Earnings (Deficit)	(\$25,242,127)	(\$25,242,127)
Treasury Stock(4)	(\$ 5,359,468)	(\$ 5,359,468)
Total Shareholders' Equity	<u>(\$ 5,323,598)</u>	<u>\$9,476,402</u>
Total Debt and Shareholders' Equity	<u>(\$ 5,086,556)</u>	<u>\$9,713,444</u>

- (1) The capital to be raised from the placement of the Units is expected to be a potential maximum of \$15,000,000. See "TERMS OF THE PLACEMENT." The actual capitalization is adjusted to reflect the assumption that 3,000,000 shares of our common stock are issued pursuant to this placement, with \$200,000 deducted for the estimated offering costs for the placement of the Units.
- (2) The total number of shares of our common stock outstanding does not include the issuance of 30,000 shares pursuant to the Prior Offering from January 1, 2020 to April 30, 2020, 10,000 shares issued to a former employee of Wytec in February 2020, or 1,474 shares issued for services rendered to Wytec in 2020, or the exercise of the Warrants issuable as part of the Units, 62,500 Concurrent Offering Warrants, 205,800 Prior Offering Warrants, or 2,128,941 additional warrants currently outstanding. See "TERMS OF THE PLACEMENT."
- (3) Does not include the conversion of 40,000 Shares of Series A Preferred Stock into 40,000 shares of common stock after December 31, 2019.
- (4) Includes 24,134,448 shares of common stock, 100,000 shares of Series A Preferred Stock, and 44,535 shares of Series B Preferred Stock that have been retired by the Company.

## DILUTION

As of December 31, 2019, the net tangible book value of Wytec was (\$5,323,598) or approximately (\$0.46) per share of common stock, assuming the conversion of 2,460,000 shares of Series A Preferred Stock and 3,691,249 shares of Series B Preferred Stock outstanding as of December 31, 2019 into 6,151,249 shares of common stock. See "CAPITALIZATION." Net tangible book value per share consists of stockholders' equity adjusted for the retained earnings (deficit), divided by the total number of shares of common stock outstanding. Without giving effect to any changes in such net tangible book value after December 31, 2019, other than to give effect to the issuance of 3,000,000 shares of common stock being offered by us in this Memorandum, but without giving effect to the exercise of the Warrants, the pro forma net tangible book value at December 31, 2019 would have been \$9,476,402 or approximately \$0.65 per share. Thus, as of December 31, 2019, the net tangible book value per share of common stock owned by our current stockholders would have increased by approximately \$1.11 without any additional investment on their part and the purchasers of the Units will incur an immediate dilution of approximately \$4.001 per share from the private placement price, assuming conversion of the Series A Preferred Stock and Series B Preferred Stock into common stock. "Dilution" means the difference between the private placement price and the net tangible book value per share after giving effect this offering. The following table illustrates the dilution which investors participating in this offering will incur and the benefit to current stockholders as a result of this offering.

Private Placement Price per Unit (1) .....	\$5.00
Net Tangible Book Value per share before Offering.....	(\$0.46)
Increase in Net Tangible Book Value per Share Attributable to shares Offered Hereby.....	\$1.11

Net Tangible Book Value per share after Offering .....	\$0.65
Dilution of Net Tangible Book Value per share to Purchasers in this Offering.....	\$4.35

(1) Before deduction of offering expenses.

## MANAGEMENT

### Executive Officers, Directors, and Key Employees of Wytec

The table below sets forth our directors, executive officers, and key employees of as of the date of this Memorandum.

<u>Name</u>	<u>Age</u>	<u>Position</u>
William H. Gray	68	Chairman of the Board, Chief Executive Officer, and President
Donna Ward	52	Chief Financial Officer, Secretary, and Director
Mark J. Richardson	66	Director

**William H. Gray** has been the chairman and chief executive officer of Wytec since November 2011, the president of Wytec since April 2020, a director of Competitive Companies, Inc., a Nevada corporation and the former parent company of Wytec (“CCI”) since November 2008, and the chief executive officer, president, and chief financial officer of CCI since February 10, 2009. Mr. Gray was the president of Wytec from November 2011 to September 2019, the chief financial officer of Wytec from November 2011 to January 2020, and the corporate secretary of Wytec from November 2011 to April 2014 and again from November 2015 to February 2019. Mr. Gray was the secretary of CCI from February 2009 to April 2014 and again since July 2015. Mr. Gray has over 19 years of experience in the planning, development, and implementation of wide area networks in both wired and wireless configurations. As the president and chief executive officer of Wireless Wisconsin, LLC, a wholly owned subsidiary of CCI, he developed one of the state’s first internet service providers (“ISPs”) to enter into the internet industry by forming and developing a statewide telecommunications network in the state of Wisconsin starting in 1995. Wireless Wisconsin, LLC later became one of the first ISP’s to become a competitive local exchange carrier (“CLEC”) in the state of Wisconsin.

**Donna Ward**, age 52, has been the chief financial officer of Wytec since January 2020 and the corporate secretary and a director of Wytec since September 2019. From May 2019 until January 2020, she was the financial accountant for Wytec. From May 2018 until joining Wytec in May 2019, she was an independent accounting consultant for private business. From June 2013 to April 2018 she was a tax accountant with the Transaction Tax Department in San Antonio, Texas, where her responsibilities included preparing and filing multistate motor fuel tax returns, amended tax returns, and completing federal electronic tax payments. From February 2009 to June 2013, she was a tax accountant with the Transaction Tax Department in San Antonio, Texas, where her responsibilities included preparing federal corporate income tax returns, state corporate income and franchise tax returns, and state corporate annual returns. From August 2006 to February 2009, Ms. Ward was a tax accountant with Valero Energy Corporation. From October 1998 to August 2006, she was a staff accountant for various companies including Albuquerque Tax Advisors, Inc. (June 2002 to August 2006 and October 1998 to June 2000), Alamo Door Systems (September 2001 to February 2002), and Alamo Area Council-Boy Scouts of America (July 2000 to September 2001). Ms. Ward received a Master’s degree in Business Administration from Ashford University in 2011 and a bachelor’s degree in Accounting from Ashford University in 2010.

**Mark J. Richardson**, age 66, has been a director of Wytec since September 2019. He has been a securities lawyer since he graduated from the University of Michigan Law School in 1978. He practiced as an associate and partner in large law firms until 1993, when he established his own practice under the name Richardson & Associates. He has been the principal securities counsel on a variety of equity and debt placements for corporations, partnerships, and real estate companies. His practice includes public and private offerings, venture capital placements, debt restructuring, compliance with federal and state securities laws, representation of publicly traded companies, Nasdaq and FINRA filings, corporate law, partnerships, joint ventures, mergers, asset acquisitions, and stock purchase agreements. As a partner in a major international law firm in the 1980's, Mr. Richardson participated in the leveraged buyout and recapitalization of a well-known producer of animated programming for children, financed by Prudential Insurance and Bear Stearns, Inc. He was also instrumental in restructuring the public debentures of a real estate company without resorting to a bankruptcy proceeding. From 1986 to 1993 Mr. Richardson was a contributing author to State Limited Partnerships Laws – California Practice Guide, Prentice Hall Law and Business. Prior to receiving his juris doctor degree cum laude from the University of Michigan Law School in 1978, Mr. Richardson received a bachelor of science degree summa cum laude in Conservation from the University of Michigan School of Natural Resources in 1975, where he earned the Bankstrom Prize for academic excellence and achieved Phi Beta Kappa honors. Mr. Richardson is an active member of the California State Bar Association, including the Section on Corporations, Business, and Finance. Richardson & Associates is outside corporate legal counsel for the Company.

### **Administrative Order**

On February 13, 2008, the Wisconsin Department of Financial Institutions, Division of Securities issued an Order of Prohibition (Consent) against William H. Gray and DiscoverNet, Inc. (a prior subsidiary of CCI dissolved in bankruptcy in 2009), ordering that they not make or cause to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Chapter 551, Wis. Stats., or successor statute, or are properly exempted from registration.

### **Executive Compensation**

During Wytec's fiscal year ending December 31, 2019, we paid following annual salaries to our executive officers:

<u><b>Name</b></u>	<u><b>Position</b></u>	<u><b>Annual Salary</b></u>
William H. Gray	Chief Executive Officer	\$126,438 (1)
Donna Ward	Chief Financial Officer	\$ 39,583 (2)
Robert Merola	Former President and Chief Technical Officer	\$106,250 (3)

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- (1) Mr. Gray also received a bonus of \$35,000 and 5,578 of shares of common stock during the year ended December 31, 2019.
  - (2) Ms. Ward's employment with Wytec commenced in September 2019. Ms. Ward also received a bonus of 1,339 of shares of common stock during the year ended December 31, 2019.
  - (3) Mr. Merola also received a bonus of \$45,000 and 4,688 of shares of common stock during the year ended December 31, 2019. Effective April 30, 2020, Mr. Merola is no longer the president or chief technical officer of Wytec.

Our directors and executive officers are reimbursed for their business expenses. We expect to pay employee compensation in the form of salary, bonus and benefits to other executive officers who may be hired during the fiscal year ending December 31, 2020, in amounts to be determined. The employment compensation for certain executive officers may include automobile and housing allowances.

## **Employment Agreements**

We have not entered into any employment agreements with our executive officers or other employees to date that are still in effect. We may enter into employment agreements with them in the future. A stock incentive program for our directors, executive officers, employees and key consultants will be established in the future. See “MANAGEMENT – Stock Option Plan.”

## **Stock Option Plan**

We have not yet, but may in the future, establish a management equity incentive plan pursuant to which stock options and restricted stock awards may be authorized and granted to the executive officers, directors, employees and key consultants of Wyttec. In the event we establish the equity incentive plan, we expect to authorize approximately 10,000,000 shares or more for future issuance.

## **Board of Directors**

Our board of directors currently consists of two directors. None of our directors is “independent” as defined in Rule 4200 of FINRA’s listing standards. We plan to appoint independent directors to our board of directors in the future, to serve on our planned committees.

## **Committees of the Board of Directors**

We plan to establish an audit committee, a compensation committee, and a nominating and governance committee. Until such committees are established, matters otherwise addressed by such committees will be acted upon by the whole board. The following is a brief description of our contemplated committees.

***Audit Committee.*** We plan to establish an audit committee. The functions of the audit committee will include:

- meeting with management periodically to consider the adequacy of our internal controls and the objectivity of our financial reporting;
- engaging and pre-approving audit and non-audit services to be rendered by our independent auditors;
- recommending to the board of directors the engagement of our independent auditors and oversight of the work of the independent auditors;
- reviewing our financial statements and periodic reports and discussing the statements and reports with management, including any significant adjustments, management judgments and estimates, new accounting policies and disagreements with management;
- establishing procedures for the receipt, retention and treatment of complaints received by our regarding accounting, internal accounting controls and auditing matters; and
- administering and discussing with management and our independent auditors our code of ethics.

***Compensation Committee.*** We plan to establish a compensation committee. The functions of the compensation committee will include:

- reviewing and, as it deems appropriate, recommending to the board of directors, policies, practices and procedures relating to the compensation of our directors and executive officers and the establishment and administration of certain employee benefit plans;
- exercising authority under certain employee benefit plans; and
- reviewing and approving executive officer and director indemnification and insurance matters.

***Corporate Governance and Nominating Committee.*** We plan to establish a corporate governance and nominating committee. The functions of the corporate governance and nominating committee will include:

- developing and recommending to the board of directors our corporate governance guidelines;
- overseeing the evaluation of the board of directors;
- identifying qualified candidates to become members of the board of directors;
- selecting nominees for election of directors at the next annual meeting of stockholders (or special meeting of stockholders at which directors are to be elected); and
- selecting candidates to fill vacancies on the board of directors.

### **Director Compensation**

We currently do not pay our directors any compensation for their services as board members. Upon completion of this offering, we plan to pay our non-employee directors \$500 per board meeting attended in person or telephonically. In addition, we plan to compensate members of our board committees as follows: (i) each independent member of the audit committee will receive \$500 per meeting and (ii) each independent member of the compensation and governance committees will receive \$500 per meeting.

### **Limitation of Liability and Indemnification of Officers and Directors**

Our Certificate of Incorporation limits the liability of directors to the maximum extent permitted by Nevada law. Nevada law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for:

- any breach of their duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Our bylaws provide that we will indemnify our directors, officers, employees and other agents to the fullest extent permitted by law. We believe that indemnification under our bylaws covers at least negligence and gross negligence on the part of indemnified parties. Our bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit such indemnification.

We intend to enter into separate indemnification agreements with our directors and officers, in addition to the indemnification provided for in our bylaws. These agreements, among other things, will provide that we will indemnify our directors and officers for certain expenses (including attorneys' fees), judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of such person's services as one of our directors or officers, or rendering services at our request, to any of its subsidiaries or any other company or enterprise. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers.

There is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

### **Amendment of Certificate of Incorporation and Bylaws**

Under the Nevada law, a corporation's certificate of incorporation can be amended by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote, and a majority of the outstanding stock of each class entitled to vote as a class, unless the certificate requires the vote of a larger portion of the stock. Our Certificate of Incorporation, as amended, does not require a larger percentage affirmative vote. As is permitted by

Nevada law, our bylaws give our board of directors the power to adopt, amend or repeal our bylaws. Our shareholders entitled to vote have concurrent power to adopt, amend or repeal our bylaws.

## PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding beneficial ownership of our common stock as of June 25, 2020 and as adjusted to reflect the sale of shares of our common stock offered by this Memorandum, by:

- each of our directors and the named executive officers;
- all of our directors and executive officers as a group; and
- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock.

Beneficial ownership and percentage ownership are determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares of stock. This information does not necessarily indicate beneficial ownership for any other purpose.

Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over their shares of common stock, except for those jointly owned with that person's spouse. Percentage of beneficial ownership before the offering is based on 5,511,040 shares of common stock, 2,420,000 shares of Series A Preferred Stock, and 3,691,249 shares of Series B Preferred Stock outstanding as of June 25, 2020. Unless otherwise noted below, the address of each person listed on the table is c/o Wytec International, Inc., 19206 Huebner Road, Suite 202, San Antonio, Texas 78258.

<u>Name and Position of Beneficial Owner</u>	<u>Shares Beneficially Owned Prior to Offering(1)</u>		<u>Shares Beneficially Owned After to Offering(2)</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
William H. Gray, Chairman and Chief Executive Officer (3)	2,010,114	14.76%	2,010,114	12.09%
Donna Ward, Chief Financial Officer and Director	1,339	*	1,339	*
Robert Merola, President, Chief Technical Officer, and Director	15,032	*	15,032	*
Mark Richardson, Director	0	0	0	0
All directors and executive officers as a group (four persons)	2,026,485	14.88%	2,026,485	12.19%

\*Represents beneficial ownership of less than 1%.

- (1) Assumes the conversion of 2,420,000 shares of Series A Preferred Stock into 2,420,000 shares of our common stock and the conversion 3,691,249 shares of Series B Preferred Stock into 3,691,249 shares of our common stock.
- (2) Does not include the issuance and exercise of the Warrants into shares of our common stock, the exercise of the Concurrent Offering Warrants currently outstanding into 62,500 shares of our common stock, the exercise of the Prior Offering Warrants currently outstanding into 205,800 shares of our common stock, or the exercise of 2,128,941

additional common stock purchase warrants currently outstanding into 2,128,941 shares of our common stock, except with respect to individual officers and directors as footnoted.

- (3) Includes 2,000,000 common stock purchase warrants owned by Mr. Gray which are exercisable at an exercise price of \$1.00 per share until December 31, 2020. Does not include 1,000 shares of our Series C Preferred Stock issued to Mr. Gray on July 20, 2016. The shares were issued as \$100 in compensation expense. The Series C Preferred Stock has a par value of \$0.001 and the equivalent of 51% of the shareholder votes. The Series C Preferred Stock is not convertible into the Company's common stock and has no rights to dividends and virtually no rights to liquidation preference. The liquidation preference of each share of the Series C Preferred Stock is its par value.

## DESCRIPTION OF SECURITIES

### General

Our authorized capital stock consists of 495,000,000 shares of common stock, par value \$0.001 per share, of which approximately 5,511,040 shares are issued and outstanding as of June 25, 2020. Our authorized capital stock also includes 20,000,000 shares of Preferred Stock, par value \$0.001, 4,100,000 of which have been designated as Series A Preferred Stock, 2,420,000 of which are issued and outstanding, 6,650,000 of which have been designated as Series B Preferred Stock, 3,691,249 of which are issued and outstanding, and 1,000 of which have been designated as Series C Preferred Stock, all of which are issued and outstanding. See "CAPITALIZATION." Under Nevada law and generally under state corporation laws, the holders of our common and preferred stock will have limited liability pursuant to which their liability is limited to the amount of their investment in us.

### Common Stock

Holders of common stock are entitled to one vote per share held of record on all matters submitted to a vote of stockholders. The holders of common stock do not have cumulative voting rights in the election of directors. Accordingly, the holders of a majority of the outstanding shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Subject to preferential rights with respect to any series of preferred stock that may be issued, holders of the common stock are entitled to receive ratably such dividends as may be declared by the board of directors on the common stock out of funds legally available therefore and, in the event of a liquidation, dissolution or winding-up of our affairs, are entitled to share equally and ratably in all of our remaining assets and funds.

### Preferred Stock

We are authorized to issue 20,000,000 shares of Preferred Stock, par value \$0.001 per share, having such rights, preferences and privileges, and issued in such series, as are determined by our Board of Directors. We currently have 2,420,000 shares of Series A Preferred Stock outstanding and 3,691,249 shares of Series B Preferred Stock outstanding.

### Series A Preferred Stock

**No Voting Rights.** The Series A Preferred Stock is nonvoting capital stock, but may be converted into voting common stock of the Company.

**Dividends.** The holders of the Series A Preferred Stock are not entitled to any dividends unless and until the Series A Preferred Stock is converted into common stock.

**Conversion.** Each share of Series A Preferred Stock is convertible at the option of the holder at any time after issuance into one share of common stock, subject to adjustment from time to time in the event (i) Wytec subdivides or combines its outstanding common stock into a greater or smaller number of shares, including stock splits and stock dividends; or (ii) of a reorganization or reclassification of our common stock, the consolidation or

merger of Wytec with or into another company, the sale, conveyance or other transfer of substantially all of our assets to another corporation or other similar event, whereby securities or other assets are issuable or distributable to the holders of our outstanding common stock upon the occurrence of any such event; or (iii) of the issuance by us to the holders of our common stock of securities convertible into, or exchangeable for, such shares of common stock. Each outstanding share of Series A Preferred Stock will automatically convert into one share of common stock (a) if Wytec common stock commences public trading on the NASDAQ Capital Market or better, (b) if the Series A Preferred Stockholder receives distributions from the Net Profits Pool equal to the original purchase price paid for their Registered Links, or (c) five years after the date of issuance of the Series A Preferred Stock. We do not have any other right to require a conversion of the Series A Preferred Stock into common stock.

**Redemption.** We do not have the option to redeem outstanding shares of Series A Preferred Stock.

**Preemptive Rights.** A holder of the Series A Preferred Stock has no preemptive rights to subscribe for any additional shares of any class of stock of Wytec or for any issue of bonds, notes or other securities convertible into any class of stock of Wytec.

**Liquidation Preference.** In the event of a liquidation, dissolution or winding-up of Wytec, whether voluntary or otherwise, after payment of our debts and other liabilities, the holders of the Series A Preferred Stock will be entitled to receive from our remaining net assets, before any distribution to the holders of the common stock, the amount of \$1.50 per share. After payment of the liquidation preference to the holders of the Series A Preferred Stock and payment of any other distributions that may be required with respect to any other series of Preferred Stock, our remaining assets, if any, will be distributed ratably to the holders of the common stock and the holders of the Series A Preferred Stock on an as-if converted basis.

## **Series B Preferred Stock**

**Voting Rights.** On all matters submitted to a vote of the shareholders of Wytec, the holders of the Series B Preferred Stock will vote on an as-converted basis with the common stock. See “DESCRIPTION OF SECURITIES – Series B Preferred Stock - Conversion.”

**Dividends.** The holders of the Series B Preferred Stock are not entitled to any dividends unless and until the Series B Preferred Stock is converted into common stock.

**Conversion.** Each share of Series B Preferred Stock is convertible at the option of the holder at any time after issuance into one share of common stock, subject to adjustment from time to time in the event (i) Wytec subdivides or combines its outstanding common stock into a greater or smaller number of shares, including stock splits and stock dividends; or (ii) of a reorganization or reclassification of our common stock, the consolidation or merger of Wytec with or into another company, the sale, conveyance or other transfer of substantially all of our assets to another corporation or other similar event, whereby securities or other assets are issuable or distributable to the holders of our outstanding common stock upon the occurrence of any such event; or (iii) of the issuance by us to the holders of our common stock of securities convertible into, or exchangeable for, such shares of common stock. Each outstanding share of Series B Preferred Stock will automatically convert into one share of common stock at a conversion rate equal to the lesser of \$3.00 per share or 75% of the average closing price of our common stock as quoted on the public securities trading market on which our common stock is then traded with the highest volume, for ten (10) consecutive trading days immediately after the first day of public trading of Wytec common stock if Wytec’s common stock commences public trading on the NASDAQ Capital Market or better, but in any event no less than \$2.50 per share or at \$3.00 per share five years after the date of issuance of the Series B Preferred Stock. We do not have any other right to require a conversion of the Series B Preferred Stock into common stock.

**Redemption.** We do not have the option to redeem outstanding shares of Series B Preferred Stock.

**Preemptive Rights.** A holder of the Series B Preferred Stock has no preemptive rights to subscribe for any additional shares of any class of stock of Wytec or for any issue of bonds, notes or other securities convertible into any class of stock of Wytec.



**Liquidation Preference.** In the event of a liquidation, dissolution or winding-up of Wytec, whether voluntary or otherwise, after payment of our debts and other liabilities, the holders of the Series B Preferred Stock will be entitled to receive from our remaining net assets, before any distribution to the holders of the common stock, and *pari passu* with the payment of a liquidation preference of \$1.50 per share to the holders of the Series A Preferred Stock, the amount of \$3.00 per share. After payment of the liquidation preference to the holders of the Series A Preferred Stock and the Series B Preferred Stock, and payment of any other distributions that may be required with respect to any other series of Preferred Stock, our remaining assets, if any, will be distributed ratably to the holders of the common stock, the holders of the Series A Preferred Stock, and the holders of the Series B Preferred Stock on an as-if converted basis.

### **Series C Preferred Stock**

**Voting Rights.** For so long as any shares of the Series C Preferred Stock remain issued and outstanding, the holders thereof, voting separately as a class, shall have the right, on or after July 20, 2016, to vote in an amount equal to 51% of the total vote (representing a super majority voting power) with respect to all matters submitted to a vote of the shareholders of Wytec. Such vote shall be determined by the holder(s) of a majority of the then issued and outstanding shares of Series C Preferred Stock. For example, if there are 10,000 shares of our common stock issued and outstanding at the time of such shareholder vote, the holders of the Series C Preferred Stock, voting separately as a class, will have the right to vote an aggregate of 10,408 shares, out of a total number of 20,408 shares voting.

Additionally, the Company is prohibited from adopting any amendments to the Company's Bylaws or Articles of Incorporation, as amended, making any changes to the Certificate of Designation establishing the Series C Preferred Stock, or effecting any reclassification of the Series C Preferred Stock, without the affirmative vote of at least 66-2/3% of the outstanding shares of Series C Preferred Stock. The Company may, however, by any means authorized by law and without any vote of the holders of shares of Series C Preferred Stock, make technical, corrective, administrative or similar changes to such Certificate of Designation that do not, individually or in the aggregate, adversely affect the rights or preferences of the holders of shares of Series C Preferred Stock.

**Dividends.** The holders of the Series C Preferred Stock are not entitled to any dividends.

**Conversion.** Holders of the Series C Preferred Stock have no conversion rights.

**Redemption.** The shares of the Series C Preferred Stock shall be automatically redeemed by us at their par value on the first to occur of the following: (i) on the date that Mr. Gray ceases, for any reason, to serve as officer, director or consultant of Wytec, or (ii) on the date that our shares of common stock first trade on any national securities exchange provided that the listing rules of any such exchange prohibit preferential voting rights of a class of securities of Wytec, or listing on any such national securities exchange is conditioned upon the elimination of the preferential voting rights of the Series C Preferred Stock set forth in this Certificate of Designation.

**Preemptive Rights.** A holder of the Series C Preferred Stock has no preemptive rights to subscribe for any additional shares of any class of stock of Wytec or for any issue of bonds, notes or other securities convertible into any class of stock of Wytec.

**Liquidation Preference.** The holders of the Series C Preferred Stock are not entitled to any liquidation preference.

### **Warrants**

Each Warrant is exercisable at any time until December 31, 2021 into one share of our common stock at an exercise price per share of the greater of (i) \$5.00 or (ii) 85% of the average closing price of our common stock as quoted on the public securities trading market on which our common stock is then traded with the highest volume, for ten (10) consecutive trading days immediately after the first day of public trading of our common stock if and when our common stock commences public trading on the NASDAQ Capital Market or better. See the Form of Warrant attached hereto as Exhibit B.

As of the date of this Memorandum, we have a total of 62,500 Concurrent Offering Warrants outstanding to purchase a total of 62,500 shares of our common stock and 205,800 Prior Offering Warrants outstanding to purchase a total of 205,800 shares of our common stock. The Concurrent Offering Warrants are exercisable on a cashless basis at an exercise price of \$5.00 per share at any time until March 31, 2021, unless the Notes are extended beyond March 31, 2021, in which case the Concurrent Offering Warrants may be exercised until the maturity date of the Notes. The Prior Offering Warrants are exercisable for cash until December 31, 2021 at an exercise price equal to the greater of (i) \$5.00 or (ii) 85% of the average closing price of our common stock as quoted on the public securities trading market on which our common stock is then traded with the highest volume, for ten (10) consecutive trading days immediately prior to the date of exercise.

We also have a total of 2,128,941 other common stock purchase warrants outstanding to purchase a total of 2,128,941 shares of our common stock, 36,441 of which are exercisable on a cashless basis at an exercise price of \$5.00 until December 31, 2020, 92,500 of which are exercisable on a cashless basis at an exercise price of \$5.00 per share until December 31, 2021, and 2,000,000 of which are held by our chief executive officer and are exercisable on a cashless basis at an exercise price of \$1.00 per share until December 31, 2020.

## ERISA CONSIDERATIONS

*General Fiduciary Obligations.* Trustees and other fiduciaries of qualified retirement plans or IRAs that are set up as part of a plan sponsored and maintained by an employer, as well as trustees and fiduciaries of Keogh Plans under which employees, in addition to self-employed individuals, are participants (together, “ERISA Plans”), are governed by the fiduciary responsibility provisions of Title 1 of the Employee Retirement Income Security Act of 1974 (“ERISA”). An investment in shares by an ERISA Plan must be made in accordance with the general obligation of fiduciaries under ERISA to discharge their duties (i) for the exclusive purpose of providing benefits to participants and their beneficiaries; (ii) with the same standard of care that would be exercised by a prudent man familiar with such matters acting under similar circumstances; (iii) in such a manner as to diversify the investments of the plan, unless it is clearly prudent not to do so; and (iv) in accordance with the documents establishing the plan. Fiduciaries considering an investment in the shares should accordingly consult their own legal advisors if they have any concern as to whether the investment would be inconsistent with any of these criteria.

Fiduciaries of certain ERISA Plans which provide for individual accounts (for example, those which qualify under Section 401(k) of the Code, Keogh Plans and IRAs) and which permit a beneficiary to exercise independent control over the assets in his individual account, will not be liable for any investment loss or for any breach of the prudence or diversification obligations which results from the exercise of such control by the beneficiary, nor will the beneficiary be deemed to be a fiduciary subject to the general fiduciary obligations merely by virtue of his exercise of such control. On October 13, 1992, the Department of Labor issued regulations establishing criteria for determining whether the extent of a beneficiary’s independent control over the assets in his account is adequate to relieve the ERISA Plan’s fiduciaries of their obligations with respect to an investment directed by the beneficiary. Under the regulations, the beneficiary must not only exercise actual, independent control in directing the particular investment transaction, but also the ERISA Plan must give the participant or beneficiary a reasonable opportunity to exercise such control, and must permit him to choose among a broad range of investment alternatives.

*Limited Transactions.* Trustees and other fiduciaries making the investment decision for any qualified retirement plan, IRA or Keogh Plan (or beneficiaries exercising control over their individual accounts) should also consider the application of the prohibited transactions provisions of ERISA and the Code in making their investment decision. Sales and certain other transactions between a qualified retirement plan, IRA or Keogh Plan and certain persons related to it (e.g., a plan sponsor, fiduciary, or service provider) are prohibited transactions. The particular facts concerning the sponsorship, operations and other investments of a qualified retirement plan, IRA or Keogh Plan may cause a wide range of persons to be treated as parties in interest or disqualified persons with respect to it. Any fiduciary, participant or beneficiary considering an investment in shares by a qualified retirement plan IRA or Keogh Plan should examine the individual circumstances of that plan to determine that the investment will not be a prohibited transaction. Fiduciaries, participants or beneficiaries considering an investment in the shares should consult their own legal advisors if they have any concern as to whether the investment would be a prohibited transaction.

*Special Fiduciary Considerations.* The Department of Labor issued new regulations in 2016 conferring fiduciary duty on certain professionals, such as investment advisors and possibly broker-dealers, who render advice to and earn compensation from ERISA Plans, IRAs, Keogh Plans and similar statutory retirement programs. The regulations include new disclosure rules relating to compensation and conflicts of interest. Regulations issued on November 13, 1986, by the Department of Labor (the “Final Plan Assets Regulations”) provide that when an ERISA Plan or any other plan covered by Code Section 4975 (e.g., an IRA or a Keogh Plan which covers only self-employed persons) makes an investment in an equity interest of an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act of 1940, the underlying assets of the entity in which the investment is made could be treated as assets of the investing plan (referred to in ERISA as “plan assets”). Programs which are deemed to be operating companies or which do not issue more than 25% of their equity interests to ERISA Plans are exempt from being designated as holding “plan assets.” Management anticipates that we would clearly be characterized as an “operating company” for the purposes of the regulations, and that it would therefore not be deemed to be holding “plan assets.”

Classification of our assets of as “plan assets” could adversely affect both the plan fiduciary and management. The term “fiduciary” is defined generally to include any person who exercises any authority or control over the management or disposition of plan assets. Thus, classification of our assets as plan assets could make the management a “fiduciary” of an investing plan. If our assets are deemed to be plan assets of investor plans, transactions which may occur in the course of its operations may constitute violations by the management of fiduciary duties under ERISA. Violation of fiduciary duties by management could result in liability not only for management but also for the trustee or other fiduciary of an investing ERISA Plan. In addition, if our assets are classified as “plan assets,” certain transactions that we might enter into in the ordinary course of our business might constitute “prohibited transactions” under ERISA and the Code.

*Reporting of Fair Market Value.* Under Code Section 408(i), as amended by the Tax Reform Act of 1986, IRA trustees must report the fair market value of investments to IRA holders by January 31 of each year. The Service has not yet promulgated regulations defining appropriate methods for the determination of fair market value for this purpose. In addition, the assets of an ERISA Plan or Keogh Plan must be valued at their “current value” as of the close of the plans fiscal year in order to comply with certain reporting obligations under ERISA and the Code. For purposes of such requirements, “current value” means fair market value where available. Otherwise, current value means the fair value as determined in good faith under the terms of the plan by a trustee or other named fiduciary, assuming an orderly liquidation at the time of the determination. We do not have an obligation under ERISA or the Code with respect to such reports or valuation although management will use good faith efforts to assist fiduciaries with their valuation reports. There can be no assurance, however, that any value so established (i) could or will actually be realized by the IRA, ERISA Plan or Keogh Plan upon sale of the shares or upon liquidation of us, or (ii) will comply with the ERISA or Code requirements.

*Tax Aspects.* The income earned by a qualified pension, profit sharing or stock bonus plan (collectively, “Qualified Plan”) and by an individual retirement account (“IRA”) is generally exempt from taxation. However, if a Qualified Plan or IRA earns “unrelated business taxable income” (“UBTI”), this income will be subject to tax to the extent it exceeds \$1,000 during any fiscal year. The amount of unrelated business taxable income in excess of \$1,000 in any fiscal year will be taxed at rates up to 36%. In addition, such unrelated business taxable income may result in a tax preference, which may be subject to the alternative minimum tax. It is anticipated that income and gain from an investment in the shares will not be taxed as UBTI to tax-exempt shareholders, because they are participating only as passive financing sources.

*Liquidity Considerations.* ERISA Plans considering an investment in shares should consider the fact that the shares are illiquid and no public market for them is expected to develop in the near future. In the event of a desired or a mandatory (for example, the ERISA Plan beneficiary turns 70.5 years old) withdrawal of assets from the ERISA Plan, the shares may not be readily convertible into cash, making it difficult to effect the withdrawal from the ERISA Plan, possibly causing phantom income and financial penalties to the beneficiary.

## TERMS OF THE PLACEMENT

### Securities Offered

We are offering Units, each Unit consisting of one share of common stock and one common stock purchase warrant, at a purchase price of \$5.00 per Unit with a minimum purchase requirement of 5,000 Units (\$25,000). The maximum offering is \$15,000,000. We will have the unrestricted right to reject tendered subscriptions for any reason and to accept less than the minimum investment from a limited number of subscribers. In the event the Units available for sale are oversubscribed, they will be sold to those investors subscribing first, provided they satisfy the applicable investor suitability standards. See “INVESTOR SUITABILITY STANDARDS.”

The purchase price for the Units will be payable in full upon subscription. Subscription funds which are accepted will be deposited into our operating account. We have no required minimum capitalization and therefore no escrow will be established for subscription funds.

### Subscription Period

This offering will terminate on the earlier of (i) the date all Units are sold, (ii) the date we select, which we may do in our sole discretion regardless of the amount of capital raised, or (iii) December 26, 2020, unless extended by us for up to an additional 180 days (the “Sales Termination Date”). Subscriptions for Units must be received and accepted by us on or before such date to qualify the subscriber for participation in Wytec.

### Subscription Procedures

Completed and signed subscription documents and subscription checks should be sent to Wytec International, Inc. at the following address: 19206 Huebner Road, Suite 202, San Antonio, Texas 78258, Attention: William H. Gray, Chief Executive Officer. Subscription checks should be made payable to us. If a subscription is rejected, all funds will be returned to subscribers within ten days of such rejection without deduction or interest. Upon acceptance by us of a subscription, a confirmation of such acceptance will be sent to the subscriber.

### Escrow Agreement

In June 2020, the Company entered a subscription escrow agreement with Prime Trust, LLC (the “Escrow Agent”) where all investor subscription funds from any source will be deposited pending an initial closing and subsequent closings during this offering. The frequency of closings will be determined by the Company and transmitted to the Escrow Agent by written notice executed by the Company. In consideration for providing escrow services to the Company, the Escrow Agent will receive the following compensation: a one-time set up fee of \$500, an account fee of \$25 per month, a one-time fee per transaction of \$5 to manually post funds received, \$150 per escrow closing, \$150 when the escrow ends, and \$250 per escrow extension.

### Technology Services Agreement

In June 2020, the Company entered into a Technology Services Agreement with Prime Trust, LLC (“Prime Trust”), for the use of Prime Trust’s FundAmerica portal website that hosts public securities offerings, including those that are exempt from registration under Rule 506(c) of Regulation D promulgated under Section 4(a)(2) of the Securities Act of 1933, as amended. In consideration for hosting the offering, including posting the Company’s Confidential Private Placement Memorandum, subscription documents, and related materials on [www.fundamerica.com](http://www.fundamerica.com), Prime Trust will receive the following compensation from the Company: a one-time transaction technology license fee of \$500, a one-time portal/platform fee of \$1,500, \$25 per investor who completes a subscription agreement, regardless of whether the investor is accepted as a shareholder of the Company, an accounting batch fee of \$25 per batch, \$1 per eSign subscription agreement, and \$25 per month for the Investor & Cap Table Management Toolkit.

## **Investor Suitability Standards**

Units will be sold only to a person who has either (i) a net worth (or joint net worth with the purchaser's spouse) of at least \$1,000,000 not including the value of the person's primary residence or (ii) an annual gross income in the last two years of at least \$200,000, and expected gross income in the current year of at least \$200,000 (or joint annual gross income with spouse of \$300,000), or (iii) otherwise meets the requirements for an Accredited Investor as defined in Rule 501 of Regulation D promulgated under Section 4(a)(2) of the Securities Act of 1933, as amended. See the Investor Questionnaire in the Subscription Documents in Exhibit A to this Memorandum. In the case of sales to fiduciary accounts (Keogh Plans, Individual Retirement Accounts (IRAs) and Qualified Pension/Profits Sharing Plans or Trusts), the above suitability standards must be met by the fiduciary account, the beneficiary of the fiduciary account or by the donor who directly or indirectly supplies the funds for the purchaser of Units. Investor suitability standards in certain states may be higher than those described in this Memorandum. These standards represent minimum suitability requirements for prospective investors, and the satisfaction of such standards does not necessarily mean that an investment in us is suitable for such persons.

Each investor must represent in writing that he meets the applicable requirements set forth above and in the Subscription Agreement, including, among other things, that (i) he is purchasing the shares for his own account, for investment and not with a view toward distribution, and (ii) he has such knowledge and experience in financial and business matters that he is capable of evaluating without outside assistance the merits and risks of investing in the shares, or he and his purchaser representative together have such knowledge and experience that they are capable of evaluating the merits and risks of investing in the shares. Broker-dealers and other persons participating in the offering must make a reasonable inquiry in order to verify an investor's suitability for an investment in us. Transferees of shares will be required to meet the above suitability standards.

Each investor must also represent and warrant that he is not (i) named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") at [www.ustreas.gov/offices/enforcement/ofac/sdn](http://www.ustreas.gov/offices/enforcement/ofac/sdn) or as otherwise published from time to time, (ii) an agency of the government of a Sanctioned Country, (iii) an organization controlled by a Sanctioned Country, (iv) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC, (v) a person who owns more than fifteen percent (15%) of its assets in Sanctioned Countries, or (vi) a person who derives more than fifteen percent (15%) of its operating income from investments in, or transactions with, sanctioned persons or Sanctioned Countries. A "Sanctioned Country" means a country subject to a sanctions program identified on the list maintained by OFAC and available at [www.ustreas.gov/offices/enforcement/ofac/sdn](http://www.ustreas.gov/offices/enforcement/ofac/sdn) or as otherwise published from time to time.

## **Interim Investments**

Company funds not needed on an immediate basis to fund our operations may be invested in government securities, money market accounts, deposits or certificates of deposit in commercial banks or savings and loan associations, bank repurchase agreements, funds backed by government securities, short-term commercial paper, or in other similar interim investments.

## **PLAN OF DISTRIBUTION**

The Units are being offered by us on a best-efforts basis by our officers, directors and employees, and possibly through registered broker-dealers who are members of the Financial Industry Regulatory Authority ("FINRA"). We may pay selling commissions to participating broker-dealers who are members of FINRA for Units sold by them, equal to a percentage of the purchase price of the Units. We have not yet entered into a specific placement agent agreement for this offering with a broker-dealer registered with FINRA. If we do make such an agreement, of which there is no assurance, it would be with Drexel Hamilton, LLC, our exclusive financial advisor, or its designee. Selling commissions may be paid to broker-dealers in cash or common stock. We may also issue stock options or warrants to purchase our common stock to broker-dealers for sales of Units attributable to them, and reimburse them for due diligence and marketing costs on an accountable or nonaccountable basis. Employees of the Company may assist with the offering, for which an allocable portion of their salary may be attributed. Participating

broker-dealers and others may be indemnified by us with respect to this offering and the disclosures made in this Memorandum.

## **REPORTS TO SHAREHOLDERS**

For tax and accounting purposes, our fiscal year will end on December 31<sup>st</sup> of each year and all financial information will be prepared in accordance with the accrual method of accounting. The books and records of account will be kept at our address. We will furnish each shareholder, within approximately ninety (90) days after the end of each fiscal year, our unaudited financial, unless we become a public reporting company with the Securities and Exchange Commission, in which case the financial statements will be audited by an independent certified public accounting firm.

## **ADDITIONAL INFORMATION**

This Memorandum does not purport to restate all of the relevant provisions of the documents referred to or pertinent to the matters discussed herein, all of which must be read for a complete description of the terms relating to an investment in us. Such documents are available for inspection during regular business hours at our office by appointment, and upon written request, copies of documents not annexed to this Memorandum will be provided to prospective investors. Each prospective investor is invited to ask questions of, and receive answers from, our representatives. We file periodic and other public reports with the Securities and Exchange Commission, which include our audited and unaudited consolidated financial statements and related information regarding the Company (collectively, the “Public Information”). They include unaudited quarterly reports on Form 10-Q, audited annual reports on Form 10-K, updated reports on Form 8-K, and other reports and filings. Our Public Information is posted on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov) under Wytec International, Inc., and is available for review by any and all prospective investors in the Company. Additional information regarding Wytec’s spin-off from CCI in November 2017 is included in our Public Information in our Registration Statement on Form S-1, dated October 5, 2017.

Each prospective investor is invited to obtain such information concerning us and this offering, to the extent we possess the same or can acquire it without unreasonable effort or expense, as such prospective investor deems necessary to verify the accuracy of the information referred to into this Memorandum. Arrangements to ask such questions or obtain such information should be made by calling William H. Gray at our executive offices. The telephone number is (210) 233-8980. We reserve the right, however, in our sole discretion, to condition access to information that management deems proprietary in nature, on the execution by each prospective investor of appropriate confidentiality agreements prior to having access to such information.

The offering of Units is made solely by this Memorandum, the exhibits hereto, and the Public Information. The prospective investors have a right to inquire about and request and receive any additional information they may deem appropriate or necessary to further evaluate this offering and to make an investment decision. Our representatives may prepare written responses to such inquiries or requests if the information requested is available. The use of any documents other than those prepared and expressly authorized by us in connection with this offering is not permitted, and should not be relied upon by any prospective investor.

**ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE OFFER BEING MADE HEREBY, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS MEMORANDUM. THE INFORMATION PRESENTED IS AS OF THE DATE ON THE COVER HEREOF UNLESS ANOTHER DATE IS SPECIFIED, AND NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL CREATE ANY**

IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION PRESENTED SUBSEQUENT TO SUCH DATE(S).

## **FINANCIAL STATEMENTS**

The consolidated audited financial statements of Wyttec as and for the fiscal year ending December 31, 2019 have been reviewed and audited by MaloneBailey, LLP, our current in independent certified public accounting firm.

CONSOLIDATED FINANCIAL STATEMENTS OF  
WYTEC INTERNATIONAL, INC.

DECEMBER 31, 2019  
(AUDITED)

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**EXHIBIT A**  
**SUBSCRIPTION DOCUMENTS**

**WYTEC INTERNATIONAL, INC.**  
a Nevada Corporation

**3,000,000 Units at \$5.00 Per Unit**

**Each Unit Consisting of  
One Share of Common Stock and  
One Common Stock Purchase Warrant**

**Minimum Investment: 5,000 Units (\$25,000)**

**FOR ACCREDITED INVESTORS ONLY**

**INSTRUCTIONS FOR SUBSCRIPTION**

**To Subscribe**

1. Subscription Agreement

Please execute the signature page and return with the Investor Questionnaire

2. Investor Questionnaire

Please complete and return with your executed Subscription Agreement.

3. Please make check payable to: **Wytec International, Inc.**

4. Please mail subscription documents and checks to:

**Wytec International, Inc.  
19206 Huebner Road, Suite 202  
San Antonio, Texas 78258  
Attention: William H. Gray, Chief Executive Officer**

## SUBSCRIPTION AGREEMENT

Name of Investor: \_\_\_\_\_  
(Print)

**Wytec International, Inc.**  
19206 Huebner Road, Suite 202  
San Antonio, Texas 78258

Attention: William H. Gray, Chief Executive Officer

**Re: Wytec International, Inc. – 3,000,000 Units Consisting of 3,000,000 Shares of Common Stock (the “Shares”) and 3,000,000 Warrants to Purchase Common Stock (the “Warrants”) (Collectively, the “Units”)**

Gentlemen:

1. *Subscription.* The undersigned hereby tenders this subscription and applies to purchase the number of Units offered by Wytec International, Inc. (the “Company”) indicated below, pursuant to the terms of this Subscription Agreement. The undersigned further sets forth statements upon which you may rely to determine the suitability of the undersigned to purchase the Units. The undersigned understands that the Units are being offered pursuant to the Confidential Private Placement Memorandum, dated June 25, 2020, the exhibits thereto, and related business information and documents regarding the Company and its management available in our public reports and filings posted by us with the Securities and Exchange Commission on its website at [www.sec.gov](http://www.sec.gov), under Wytec International, Inc., or available from management upon request (collectively, the “Memorandum”). In connection with this subscription, the undersigned represents and warrants that the personal, business and financial information contained in the Purchaser Questionnaire is complete and accurate, and presents a true statement of the undersigned’s financial condition.

2. *Representations and Understandings.* The undersigned hereby makes the following representations, warranties and agreements and confirms the following understandings:

(i) The undersigned is acquiring the Units for investment purposes, for the undersigned’s own account only, with no intention or view to distributing the Units or any participation or interest therein.

(ii) The undersigned has received a copy of the Memorandum, has reviewed it carefully, and has had an opportunity to question representatives of the Company and obtain such additional information concerning the Company as the undersigned requested. The undersigned acknowledges and agrees that only information or representations contained in the Memorandum may be relied upon as having been authorized by the Company. No person has been authorized to give any information or to make any representations other than those contained in the Memorandum, and if given or made, such information or representations must not be relied upon as having been authorized by the Company. Subscribers are cautioned not to rely upon any information not expressly set forth in the Memorandum. The information presented is as of the date on the cover of the Memorandum unless another date is specified, and neither the delivery of the Memorandum nor any sale hereunder shall create any implication that there has been no change in the information presented subsequent to such dates.

(iii) The undersigned has sufficient experience in financial and business matters to be capable of utilizing such information to evaluate the merits and risks of the undersigned’s investment, and to make an informed decision relating thereto; or the undersigned has utilized the services of a purchaser representative and together they have sufficient experience in financial and business matters that they are capable of utilizing such information to evaluate the merits and risks of the undersigned’s investment, and to make an informed decision relating thereto.

(iv) The undersigned has evaluated the risks of this investment in the Company, including those risks particularly described in the Memorandum, and has determined that the investment is suitable for him. The undersigned has adequate financial resources for an investment of this character, and at this time he could bear a

complete loss of his investment. The undersigned understands that any projections which may be made in the Memorandum are mere estimates and may not reflect the actual results of the Company's operations.

(v) The undersigned understands that the Units are not being registered under the Securities Act of 1933, as amended (the "1933 Act") on the ground that the issuance thereof is exempt under Section 4(a)(2) of the 1933 Act and Rule 506(c) of Regulation D promulgated thereunder, and that reliance on such exemption is predicated in part on the truth and accuracy of the undersigned's representations and warranties, and those of the other purchasers of Units.

(vi) The undersigned understands that the Units are not being registered under the securities laws of any state on the basis that the issuance thereof is exempt as an offer and sale to purchasers in such state meeting certain investor suitability standards with respect to income, net worth, knowledge and sophistication. The undersigned understands that reliance on such exemptions is predicated in part on the truth and accuracy of the undersigned's representations and warranties and those of other purchasers of Units. The undersigned covenants not to sell, transfer or otherwise dispose of a Share or Warrant unless such Share or Warrant has been registered under the applicable state securities laws, or an exemption from registration is available.

(vii) The undersigned (a) has a net worth (or joint net worth with the purchaser's spouse) of at least \$1,000,000 not including the value of the undersigned's primary residence, or (b) has an annual gross income in the last two years of at least \$200,000, and expected gross income in the current year of at least \$200,000 (or joint annual gross income with spouse of \$300,000), or (c) otherwise meets the requirements for an Accredited Investor as defined in Rule 501 of Regulation D promulgated under Section 4(a)(2) of the Securities Act of 1933, as amended, or (d) is the beneficiary of a fiduciary account, or, if the fiduciary of the account or other party is the donor of funds used by the fiduciary account to make this investment, then such donor, who meets the requirements of either (a), (b) or (c) above.

(viii) The undersigned has no need for any liquidity in his investment and is able to bear the economic risk of his investment for an indefinite period of time. The undersigned has been advised and is aware that: (a) there is no public market for the Units and it is not likely that any public market for the Units will develop; (b) it may not be possible to liquidate the investment readily; (c) the undersigned must bear the economic risk of his investment in the Units for an indefinite period of time because the Units have not been registered under the 1933 Act and applicable state law or an exemption from such registration is available; (d) a legend as to the restrictions on transferability of the Units referred to herein will be made on the document evidencing the Share and the Warrant, and (e) a notation in the appropriate records of the Company will be made with respect to any restrictions on transfer of Units.

(ix) All contacts and contracts between the undersigned and the Company regarding the offer and sale to him of Units have been made within the state indicated below his signature on the signature page of this Subscription Agreement and the undersigned is a resident of such state.

(x) The undersigned has relied solely upon the Memorandum and independent investigations made by him or his purchaser representative with respect to the Units subscribed for herein, and no oral or written representations beyond the Memorandum have been made to the undersigned or relied upon by the undersigned.

(xi) The undersigned agrees not to transfer or assign this subscription or any interest therein.

(xii) The undersigned hereby acknowledges and agrees that, except as may be specifically provided herein, the undersigned is not entitled to withdraw, terminate or revoke this subscription.

(xiii) If the undersigned is a partnership, corporation or trust, it has been duly formed, is validly existing, has full power and authority to make this investment, and has not been formed for the specific purpose of investing in the Units. This Subscription Agreement and all other documents executed in connection with this subscription for Units are valid, binding and enforceable agreements of the undersigned.

(xiv) The undersigned meets any additional suitability standards and/or financial requirements which may be required in the jurisdiction in which he resides, or is purchasing in a fiduciary capacity for a person or account meeting such suitability standards and/or financial requirements, and is not a minor.

3. *Indemnification.* The undersigned hereby agrees to indemnify and hold harmless the Company and all of its affiliates, attorneys, accountants, employees, officers, directors, shareholders and agents from any liability, claims, costs, damages, losses or expenses incurred or sustained by them as a result of the undersigned's representations and warranties herein or in the Purchaser Questionnaire being untrue or inaccurate, or because of a breach of this agreement by the undersigned. The undersigned hereby further agrees that the provisions of Section 3 of this Subscription Agreement will survive the sale, transfer or any attempted sale or transfer of all or any portion of the Units. The undersigned hereby grants to the Company the right to set-off against any amounts payable by the Company to the undersigned, for whatever reason, of any and all damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees) which are incurred by the Company or any of its affiliates as a result of matters for which the Company is indemnified pursuant to Section 3 of this Subscription Agreement.

4. *Taxpayer Identification Number/Backup Withholding Certification.* Unless a subscriber indicates to the contrary on the Subscription Agreement, he will certify that his taxpayer identification number is correct and, if not a corporation, IRA, Keogh, or Qualified Trust (as to which there would be no withholding), he is not subject to backup withholding on interest or dividends. If the subscriber does not provide a taxpayer identification number certified to be correct or does not make the certification that the subscriber is not subject to backup withholding, then the subscriber may be subject to twenty-eight percent (28%) withholding on interest or dividends paid to the holder of the Units.

5. *Foreign Investors.* The undersigned hereby represents and warrants that the undersigned is not (i) named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") at [www.ustreas.gov/offices/enforcement/ofac/sdn](http://www.ustreas.gov/offices/enforcement/ofac/sdn) or as otherwise published from time to time, (ii) an agency of the government of a Sanctioned Country, (iii) an organization controlled by a Sanctioned Country, (iv) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC, (v) a person who owns more than fifteen percent (15%) of its assets in Sanctioned Countries, or (vi) a person who derives more than fifteen percent (15%) of its operating income from investments in, or transactions with, sanctioned persons or Sanctioned Countries. A "Sanctioned Country" means a country subject to a sanctions program identified on the list maintained by OFAC and available at [www.ustreas.gov/offices/enforcement/ofac/sdn](http://www.ustreas.gov/offices/enforcement/ofac/sdn) or as otherwise published from time to time.

5. *Governing Law.* This Subscription Agreement will be governed by and construed in accordance with the laws of the State of Texas. The venue for any legal action under this Agreement will be in the proper forum in the County of Bexar, State of Texas.

6. *Acknowledgment of Investment Risks.* The undersigned has carefully reviewed and thoroughly understands the risks associated with an investment in the Units as described in the Memorandum. The undersigned acknowledges that this investment entails significant risks.

The undersigned has (have) executed this Subscription Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**SUBSCRIBER (1)**

**SUBSCRIBER (2)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Print Name of Subscriber)

\_\_\_\_\_  
(Print Name of Subscriber)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State and Zip Code)

\_\_\_\_\_  
(City, State and Zip Code)

\_\_\_\_\_  
(Social Security or Tax Identification Number)

\_\_\_\_\_  
(Social Security or Tax Identification Number)

Dollar Amount of Units (at \$5.00 per Unit) \_\_\_\_\_

PLEASE MAKE CHECKS PAYABLE TO: "WYTEC INTERNATIONAL, INC."

**MANNER IN WHICH TITLE IS TO BE HELD:**

Community Property\*

Individual Property

Joint Tenancy With Right of Survivorship\*

Separate Property

Corporate or Fund Owners \*\*

Tenants-in-Common\*

Pension or Profit Sharing Plan

Tenants-in-Entirety\*

Trust or Fiduciary Capacity (trust documents must accompany this form)

Keogh Plan

Fiduciary for a Minor

Individual Retirement Account

\* Signature of all parties required

Other (Please indicate)

\*\* In the case of a Fund, state names of all partners.

**SUBSCRIPTION ACCEPTED:**

**WYTEC INTERNATIONAL, INC.**

By: \_\_\_\_\_  
William H. Gray, Chief Executive Officer

\_\_\_\_\_  
DATE

**WYTEC INTERNATIONAL, INC.  
PURCHASER QUESTIONNAIRE**

**Wytec International, Inc.**  
19206 Huebner Road, Suite 202  
San Antonio, Texas 78258

Attention: William H. Gray, Chief Executive Officer

**Re: Wytec International, Inc.**

Gentlemen:

The following information is furnished to you in order for you to determine whether the undersigned is qualified to purchase shares of common stock and warrants (collectively, the "Units") in the above referenced Company pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Act"), Rule 506(c) of Regulation D promulgated thereunder, and appropriate provisions of applicable state securities laws. I understand that you will rely upon the following information for purposes of such determination, and that the Units will not be registered under the Act in reliance upon the exemption from registration provided by Section 4(a)(2) of the Act, Rule 506(c) of Regulation D, and appropriate provisions of applicable state securities laws.

ALL INFORMATION CONTAINED IN THIS QUESTIONNAIRE WILL BE TREATED CONFIDENTIALLY. However, I agree that you may present this questionnaire to such parties as you deem appropriate if called upon to establish that the proposed offer and sale of the Shares is exempt from registration under the Act or meets the requirements of applicable state securities laws.

I hereby provide you with the following representations and information:

1. Name: \_\_\_\_\_
2. Residence Address & Telephone No: \_\_\_\_\_
3. Birthdate: \_\_\_\_\_
4. Employer and Position: \_\_\_\_\_
5. Business Address & Telephone No: \_\_\_\_\_
6. Email Address: \_\_\_\_\_
7. Business or Professional Education & Degree: \_\_\_\_\_
8. Prior Investments of Purchaser:

Amount (Cumulative) \$ \_\_\_\_\_ *(initial appropriate category below):*

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<b>Capital Stock:</b>	<input type="checkbox"/> None	<input type="checkbox"/> Up to \$50,000	<input type="checkbox"/> \$50,000 to \$250,000	<input type="checkbox"/> Over \$250,000
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<b>Bonds:</b>	<input type="checkbox"/> None	<input type="checkbox"/> Up to \$50,000	<input type="checkbox"/> \$50,000 to \$250,000	<input type="checkbox"/> Over \$250,000
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<b>Other:</b>	<input type="checkbox"/> None	<input type="checkbox"/> Up to \$50,000	<input type="checkbox"/> \$50,000 to \$250,000	<input type="checkbox"/> Over \$250,000
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9. Based on the definition of an “Accredited Investor” which appears below, I am an Accredited Investor. I understand that the representations contained in this section are made for the purpose of qualifying me as an accredited investor as the term is defined by the Securities and Exchange Commission for the purpose of selling securities to me. I hereby represent that the statement or statements initialed below are true and correct in all respects.

I am an Accredited Investor because I fall within one of the following categories:

(INITIAL APPROPRIATE CATEGORY)

- A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds \$1,000,000, not including the value of the person’s primary residence;
- A natural person who had an individual income in excess of \$200,000 in each of the two most recent years and who reasonably expects an income in excess of \$200,000 in the current year;
- My spouse and I have had joint income for the most two recent years in excess of \$300,000 and we expect our joint income to be in excess of \$300,000 for the current year;
- Any organization described in Section 501(c)(3) of the Internal Revenue Code, or any corporation, Massachusetts Business Trust or Fund not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- A bank as defined in Section 3(a)(2) of the Securities Act whether acting in its individual or fiduciary capacity; insurance company as defined in Section 2(12) of the Securities Act, investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(1)(48) of that Act; or Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;
- A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- An employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is to be made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000;
- An entity in which all of the equity owners are Accredited Investors under the above paragraph.

10. Financial Information:

- (a) My net worth (not including the value of my primary residence) is

\$ \_\_\_\_\_

- (b) My gross income during the preceding two years was:

\$ \_\_\_\_\_ (2018)

\$ \_\_\_\_\_ (2019)

- (c) My anticipated gross income in 2020 is \$ \_\_\_\_\_.



(d) (1)  (initial or check here) I have such knowledge and experience in financial, tax and business matters that I am capable of utilizing the information made available to me in connection with the offering of the Shares to evaluate the merits and risks of an investment in the Shares, and to make an informed investment decision with respect to the Shares. I do not desire to utilize a Purchaser Representative in connection with evaluating such merits and risks. I understand, however, that the Company may request that I use a Purchaser Representative.

(2)  (initial or check here) I intend to use the services of the following named person(s) as Purchaser Representative(s) in connection with evaluating the merits and risks of an investment in the Shares and hereby appoint such person(s) to act as my Purchaser Representative(s) in connection with my proposed purchase of Shares.

List name(s) of Purchaser Representative(s), if applicable. \_\_\_\_\_

11. I have included with this purchaser questionnaire one of the following to verify my status as an accredited investor, as the term is defined by the Securities and Exchange Commission for the purpose of selling securities to me:

(INITIAL APPROPRIATE CATEGORY)

- Recent statement(s) from one or more financial institutions and a recent credit report which disclose assets and all material liabilities;
- Recent certificate(s) of deposit or appraisal report(s) and a recent credit report which disclose assets and all material liabilities;
- A copy of my tax returns for the two most recent fiscal years; or
- A verification form from a professional who has taken reasonable steps within the prior three months to verify that I am accredited.

12. Except as indicated below, any purchases of the Units will be solely for my account, and not for the account of any other person or with a view to any resale or distribution thereof.

\_\_\_\_\_

13. I represent to you that the information contained herein is complete and accurate and may be relied upon by you. I understand that a false representation may constitute a violation of law, and that any person who suffers damage as a result of a false representation may have a claim against me for damages. I will notify you immediately of any material change in any of such information occurring prior to the closing of the purchase of Units, if any, by me.

Name (Please Print): \_\_\_\_\_

Signature \_\_\_\_\_

Telephone Number \_\_\_\_\_

Social Security or Tax I.D. Number \_\_\_\_\_

Executed at: \_\_\_\_\_ on this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_

**FOR BROKER-DEALER USE ONLY**

Name of Broker-Dealer Firm: \_\_\_\_\_

Name of Registered Representative \_\_\_\_\_ RR Number: \_\_\_\_\_

Address of Firm: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

## VERIFICATION FORM

I am qualified to verify that my client \_\_\_\_\_ (“Client”) is an “accredited investor,” as that term is defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended, because I am one of the following:

(INITIAL APPROPRIATE CATEGORY)

- A registered broker dealer;
- A SEC registered investment advisor;
- A licensed attorney; or
- A certified or licensed public accountant.

I hereby certify that within the last three months I have taken reasonable steps to verify that my Client is an “accredited investor,” as that term is defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended.

By: \_\_\_\_\_  
Signature of Verifier

\_\_\_\_\_  
Print Name of Verifier

**EXHIBIT B**

**FORM OF VARIABLE PRICED WARRANT**

**THIS SECURITY HAS NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED AND QUALIFIED PURSUANT TO THE APPLICABLE PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION OR QUALIFICATION APPLIES. THEREFORE, NO SALE OR TRANSFER OF THIS SECURITY SHALL BE MADE, NO ATTEMPTED SALE OR TRANSFER SHALL BE VALID, AND THE ISSUER SHALL NOT BE REQUIRED TO GIVE ANY EFFECT TO ANY SUCH TRANSACTION UNLESS (A) SUCH TRANSACTION HAS BEEN DULY REGISTERED UNDER THE ACT AND QUALIFIED OR APPROVED UNDER APPROPRIATE STATE SECURITIES LAWS, OR (B) THE ISSUER HAS FIRST RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH REGISTRATION, QUALIFICATION OR APPROVAL IS NOT REQUIRED.**

## **WARRANT**

For the Purchase of Shares of Common Stock of

**WYTEC INTERNATIONAL, INC.**

Void After 5 P.M. December 31, 2021

No. \_\_\_

Date: \_\_\_\_\_, 20\_\_

Warrant to Purchase \_\_\_\_\_ ( \_\_\_\_\_ ) Shares of Common Stock

**THIS IS TO CERTIFY**, that, for value received, \_\_\_\_\_, or registered assigns (the "Holder"), is entitled, subject to the terms and conditions hereinafter set forth, on or after the date hereof, and at any time prior to 5 P.M., Central Time ("CT"), on December 31, 2021, but not thereafter, to purchase such number of shares of common stock, par value \$0.001 (the "Shares"), of Wytec International, Inc., a Nevada corporation (the "Company"), from the Company as set forth above, upon payment to the Company of an amount per Share of five dollars (\$5.00), provided, that ten (10) days after the common stock of the Company commences trading on the NASDAQ Capital Market or equivalent or higher public securities trading market (the "Measurement Date"), the amount per Share shall thereafter be the greater of (i) \$5.00 or (ii) 85% of the average closing price that is quoted on said trading market (if more than one, the one with the then highest trading volume), during the ten (10) consecutive trading days prior to the Measurement Date (the "Purchase Price"), if and to the extent this Warrant is exercised, in whole or in part, during the period this Warrant remains in force, subject in all cases to adjustment as provided in Section 2 hereof, and to receive (a) in book entry form from the Company's transfer agent or (b) a certificate or certificates representing the Shares so purchased, upon presentation and surrender to the Company of this Warrant, with the form of Subscription Agreement attached hereto, including changes thereto reasonably requested by the Company, duly executed and accompanied by payment of the Purchase Price of each Share.

## SECTION 1.

### Terms of this Warrant

1.1 Time of Exercise. This Warrant may be exercised at any time and from time to time after 9:00 A.M., CT, on the date hereof (the “Exercise Commencement Date”), but no later than 5:00 P.M., CT on December 31, 2021 (the “Expiration Time”), at which time this Warrant shall become void and all rights hereunder shall cease.

1.2 Manner of Exercise.

1.2.1 The Holder may exercise this Warrant, in whole or in part, upon surrender of this Warrant, with the form of Subscription Agreement attached hereto duly executed, to the Company at its corporate office in San Antonio, Texas, and upon payment to the Company of the full Purchase Price for each Share to be purchased in lawful money of the United States, or by certified or cashier’s check, or wired funds, and upon compliance with and subject to the conditions set forth herein.

1.2.2 Upon receipt of this Warrant with the form of Subscription Agreement duly executed and accompanied by payment of the aggregate Purchase Price for the Shares for which this Warrant is then being exercised, the Company shall cause to be issued in book entry form from the Company’s transfer agent, or by physical certificates for the total number of whole Shares for which this Warrant is being exercised in such denominations as are required for delivery to the Holder, and the Company shall thereupon deliver such book entry form or certificates to the Holder or its nominee.

1.2.3 In case the Holder shall exercise this Warrant with respect to less than all of the Shares that may be purchased under this Warrant, the Company shall execute a new Warrant for the balance of the Shares that may be purchased upon exercise of this Warrant and deliver such new Warrant to the Holder, or accomplish the same result for Warrants held in book entry form by the Company’s Transfer Agent by appropriate written notice and instructions delivered to said Transfer Agent by the Company.

1.3 Exchange of Warrant. This Warrant may be divided into, combined with or exchanged for another Warrant or Warrants of like tenor to purchase a like aggregate number of Shares. If the Holder desires to divide, combine or exchange this Warrant, he shall make such request in writing delivered to the Company at its corporate office and shall surrender this Warrant and any other Warrants to be so divided, combined or exchanged. The Company shall execute and deliver to the person entitled thereto a Warrant or Warrants, as the case may be, as so requested. The Company shall not be required to effect any division, combination or exchange which will result in the issuance of a Warrant entitling the Holder to purchase upon exercise a fraction of a Share. The Company may require the Holder to pay a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any division, combination or exchange of Warrants.

1.4 Holder as Owner. Prior to surrender of this Warrant in accordance with Section 1.6 for registration or assignment, the Company may deem and treat the Holder as the absolute

owner of this Warrant (notwithstanding any notation of ownership or other writing hereon) for the purpose of any exercise hereof and for all other purposes, and the Company shall not be affected by any notice to the contrary.

1.5 Method of Assignment. Any assignment or transfer of any portion or all of this Warrant shall be made by surrender of this Warrant to the Company at its principal office with the form of assignment attached hereto duly executed and accompanied by funds sufficient to pay any transfer tax, payable by the transferor. In such event, the Company shall, without charge, execute and deliver a new Warrant in the name of the assignee named in such instrument of assignment and this Warrant shall promptly be canceled, or the same result will be accomplished for Warrants held in book entry form by the Company's Transfer Agent by appropriate written notice and instructions.

1.6 Rights of Holder. Nothing contained in this Warrant shall be construed as conferring upon the Holder the right to vote, consent or receive notice as a shareholder in respect of any meetings of shareholders for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the Company, until Shares are duly and properly issued to the Holder upon the exercise of this Warrant.

1.7 Lost Certificates. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such reasonable terms as to indemnity or otherwise as it may impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as, and in substitution for, this Warrant, which shall thereupon become void. Any such new Warrant shall constitute a substituted and not an additional contractual obligation of the Company.

1.8 Covenants of the Company. The Company covenants and agrees as follows:

1.8.1 At all times the Company shall reserve and keep available for the exercise of this Warrant such number of authorized shares of Common Stock as are sufficient to permit the exercise in full of this Warrant.

1.8.2 The Company covenants that all Shares when issued upon the exercise of this Warrant will be validly issued, fully paid, nonassessable and free of preemptive rights.

## **SECTION 2.**

### **Adjustment of Purchase Price and Number of Shares Purchasable upon Exercise**

2.1 Stock Splits. If the Company at any time or from time to time after the issuance date of this Warrant effects a subdivision of the outstanding Common Stock, the Purchase Price then in effect immediately before that subdivision shall be proportionately decreased, and the number of shares of Common Stock issuable upon the exercise of this Warrant after the effective date of said subdivision shall be proportionately increased; and conversely, if the Company at any time or from time to time after the issuance date of this Warrant combines the outstanding shares of Common Stock, the Purchase Price then in effect immediately before the combination

shall be proportionately increased, and the number of shares of Common Stock issuable upon the exercise of this Warrant after the effective date of said combination shall be proportionately decreased. Any adjustment under this subsection 2.1 shall become effective at the close of business on the date the subdivision or combination becomes effective.

2.2 Dividends and Distributions. In the event the Company at any time, or from time to time after the issuance date of this Warrant makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Purchase Price then in effect shall be decreased as of the time of such issuance or, in the event such a record date is fixed, as of the close of business on such record date, by multiplying the Purchase Price then in effect by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Purchase Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Purchase Price shall be adjusted pursuant to this subsection 2.2 as of the time of actual payment of such dividends or distributions.

2.3 Recapitalization or Reclassification. If the Shares issuable upon the exercise of the Warrant are changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets, provided for elsewhere in this Section 2), then, and in any such event, the Holder shall thereafter be entitled to receive upon exercise of this Warrant such number and kind of stock or other securities or property of the Company to which a holder of Shares deliverable upon exercise of this Warrant would have been entitled on such reclassification or other change, subject to further adjustment as provided herein.

### **SECTION 3.**

#### **Status Under the Securities Act of 1933**

This Warrant and the Shares issuable upon exercise of this Warrant have not been registered under the Securities Act of 1933, as amended (“the Act”). Upon exercise, in whole or in part, of this Warrant, the book entry form or certificates representing the Shares shall bear the legend first above written.

### **SECTION 4.**

#### **Other Matters**

4.1 Binding Effect. All the covenants and provisions of this Warrant by or for the benefit of the Company shall bind and inure to the benefit of its successors and assigns hereunder.



4.2 Notices. Notices or demands pursuant to this Warrant to be given or made by the Holder to or on the Company shall be sufficiently given or made if sent by certified or registered mail, return receipt requested, postage prepaid, or by email or facsimile or personal delivery and addressed, until another address is designated in writing by the Company, as follows:

Wytec International, Inc.  
19206 Huebner Road, Suite 202  
San Antonio, Texas 78258  
Telephone No.: (888) 284-4531  
Facsimile No.: (210) 404-9022  
Email Address: whg@wytecintl.com  
Attention: William H. Gray, President

Notices to the Holder provided for in this Warrant shall be deemed given or made by the Company if sent by certified or registered mail, return receipt requested, postage prepaid, or by facsimile or email or personal delivery and addressed to the Holder at his last known address as it shall appear on the books of the Company.

4.3 Governing Law. The validity, interpretation and performance of this Warrant shall be governed by the laws of the State of Nevada. The venue for any legal proceedings under this Warrant will be in the appropriate forum in the County of Bexar, State of Texas.

4.4 Parties Bound and Benefited. Nothing in this Warrant expressed and nothing that may be implied from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the Company and the Holder any right, remedy or claim under any promise or agreement hereof, and all covenants, conditions, stipulations, promises and agreements contained in this Warrant shall be for the sole and exclusive benefit of the Company and its successors and of the Holder, its successors and permitted assigns.

4.5 Headings. The Section headings herein are for convenience only and are not part of this Warrant and shall not affect the interpretation thereof.

IN WITNESS WHEREOF, this Warrant has been duly executed by the Company as of \_\_\_\_, 202\_\_.

**WYTEC INTERNATIONAL, INC.**

By: \_\_\_\_\_  
William H. Gray, President

**ASSIGNMENT OF WARRANT**

**FOR VALUE RECEIVED,** \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Warrant and the rights represented thereby, and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney, to transfer said Warrant on the books of the Company, with full power of substitution.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_

**SUBSCRIPTION AGREEMENT  
FOR THE EXERCISE OF WARRANTS**

The undersigned hereby irrevocably subscribes for the purchase of \_\_\_\_\_ Shares pursuant to and in accordance with the terms and conditions of this Warrant, which Shares should be delivered to the undersigned at the address stated below. If said number of Shares are not all of the Shares purchasable hereunder, a new Warrant of like tenor for the balance of the remaining Shares purchasable hereunder should be delivered to the undersigned at the address stated below.

The undersigned elects to pay the aggregate Purchase Price for such Shares in the following manner:

by the enclosed cash or check made payable to the Company in the amount of \$ \_\_\_\_\_; or

by wire transfer of United States funds to the account of the Company in the amount of \$ \_\_\_\_\_, which transfer has been made before or simultaneously with the delivery of this Notice pursuant to the instructions of the Company; or

The undersigned agrees that: (1) the undersigned will not offer, sell, transfer or otherwise dispose of any Shares unless either (a) a registration statement, or post-effective amendment thereto, covering the Shares has been filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Act"), such sale, transfer or other disposition is accompanied by a prospectus meeting the requirements of Section 10 of the Act forming a part of such registration statement, or post-effective amendment thereto, which is in effect under the Act covering the Shares to be so sold, transferred or otherwise disposed of, and all applicable state securities laws have been complied with, or (b) counsel reasonably satisfactory to Wytec International, Inc. has rendered an opinion in writing and addressed to Wytec International, Inc. that such proposed offer, sale, transfer or other disposition of the Shares is exempt from the provisions of Section 5 of the Act in view of the circumstances of such proposed offer, sale, transfer or other disposition; (2) Wytec International, Inc. may notify the transfer agent for the Shares that the certificates for the Shares acquired by the undersigned are not to be transferred unless the transfer agent receives advice from Wytec International, Inc. that one or both of the conditions referred to in (1)(a) and (1)(b) above have been satisfied; and (3) Wytec International, Inc. may affix the legend set forth in Section 3 of this Warrant to the certificates for the Shares hereby subscribed for, if such legend is applicable.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**EXHIBIT C**  
**CONFIDENTIALITY AGREEMENT**

## CONFIDENTIALITY AGREEMENT

This agreement (“Agreement”) by and between Wytec International, Inc., a Nevada corporation (“Wytec”), and the other undersigned signatory to this Agreement (the “Recipient”), is entered into on \_\_\_\_\_, 202\_. Wytec and Recipient are collectively referred to herein as the “Parties,” and individually, a “Party.” This Agreement confirms the Parties’ understanding with respect to the provision of non-public information regarding Wytec (“Information”) to Recipient that contains information not yet filed with the Securities and Exchange Commission. Wytec is furnishing Recipient and certain of its authorized agents, representatives, and employees (all of Recipient’s authorized agents, representatives, and employees are collectively referred to herein as the “Representatives”) the above-referenced Information to assist Recipient in its understanding of Wytec. As a condition to Recipient being furnished with the Information, Recipient agrees to treat the Information (whether prepared by or on behalf of Wytec) in the manner set forth in this Agreement, in part to ensure the Parties’ compliance with applicable federal and state securities laws, including but not limited to Regulation FD of the Securities Exchange Act of 1934, as amended.

In consideration of furnishing Recipient with the Information, Recipient agrees as follows:

1. Maintenance of Confidentiality. Recipient agrees to keep the Information confidential and to not, without Wytec’s prior written consent, disclose, or allow any of its Representatives who receive Information from Recipient to disclose the Information in any manner whatsoever, in whole or in part. Recipient agrees to inform such Representatives of the confidential nature of the Information, and each of such Representatives shall agree to act in accordance with the terms and conditions of this Agreement. Recipient shall be responsible for any breach of this Agreement by any of its Representatives.
2. No Representations or Warranties. Although Wytec has endeavored to include in the Information materials that it believes to be relevant for the purpose of Recipient’s investigation, Recipient acknowledges and agrees that (a) neither Wytec nor any of its directors, officers, stockholders, partners, affiliates, employees, or agents have made or herein makes any express or implied representation or warranty as to the accuracy or completeness of the Information and (b) none thereof shall have any liability resulting from the use of the Information, errors therein, or omissions therefrom. Recipient further acknowledges and agrees that it is not entitled to rely on the accuracy or completeness of the Information and that Recipient shall be entitled to rely solely on the written representations and warranties made to Recipient by Wytec, if any.
3. Return of Information. All copies of the Information, including documents prepared by Recipient or its Representatives that contain analyses, compilations, forecasts, or studies regarding the Information, shall immediately, upon written request by Wytec be either (a) returned to Wytec or (b) destroyed in its entirety, and a senior officer of Recipient shall certify such destruction in writing. Any such documents prepared by Recipient or its Representatives shall be kept confidential and subject to the terms of this Agreement. Any related oral information shall continue to be kept confidential and subject to the terms of this Agreement.
4. Mandatory Disclosure. If Recipient or any Representatives to which it transmits the Information pursuant to this Agreement becomes legally compelled to disclose any of the Information, Recipient shall provide Wytec with reasonable notice prior to disclosure so that Wytec may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, or if Wytec waives compliance with the provisions of this Agreement in writing, Recipient will furnish only that portion of the Information that it is advised by opinion of counsel that is legally required to

be so disclosed and Recipient shall exercise best efforts to obtain reasonable assurances that confidential treatment will be accorded to the Information.

5. Securities Laws Restrictions. Recipient is aware, and Recipient will advise its Representatives, that United States securities laws prohibit any person who has received material, non-public information from an issuer or another source, from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.
6. Exclusions from Definition. The term "Information" shall not include the portions of Information that: (a) are or become generally available to the public, other than as a result of a disclosure by Recipient or any of its Representatives in violation of this Agreement; (b) become available to Recipient or any of its Representatives on a non-confidential basis from a source that is not prohibited from disclosing such Information to Recipient or its Representatives by legal, contractual, or fiduciary obligations to Wytec; or (c) is in Recipient's possession prior to being furnished to Recipient by Wytec, provided that the source of such Information was not prohibited from disclosing the Information to Recipient by legal, contractual, or fiduciary obligations to Wytec.
7. Wytec's Right to Terminate Access. Wytec may terminate access for Recipient or its Representatives to the Information at any time.
8. Specific Performance; Attorneys' Fees. Each Party agrees that money damages would not be a sufficient remedy for any breach of this Agreement by Recipient or any of its Representatives, and that Wytec will be entitled to seek injunctive relief, specific performance, and/or other appropriate equitable remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for breach of this Agreement by Recipient, but shall be in addition to all of the remedies under law and in equity. In addition, Wytec shall be entitled to payment of Wytec's reasonable legal fees and disbursements, court costs, and other expenses of protecting its interests hereunder.
9. Miscellaneous.
  - a) Governing Law And Venue. This Agreement shall be governed and construed in accordance with the internal laws of the State of Texas, without regard to conflict of law principles. With respect to any litigation arising out of or relating to this Agreement, each Party agrees that it will be filed in and heard by the state or federal courts with jurisdiction to hear such suits located in Bexar County, Texas.
  - b) No Waiver. No failure or delay by Wytec in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise of any such right, power, or privilege.
  - c) Amendment. No amendment or modification of this Agreement shall be effective unless set forth in a written instrument executed by the Parties to this Agreement.
  - d) Successors and Assigns; Assignment. This Agreement shall be binding on and inure to the benefit of each Party's successors and assigns, but may not be assigned without the prior written consent of the other Party.
  - e) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which when taken together shall be considered one and the same instrument.

- f) Term. The term of this Agreement shall commence on the date hereof and terminate on the earlier to occur of (i) the date that all Information provided by Wytec hereunder is no longer deemed to be Information pursuant to Section 6, and (ii) the fifth anniversary of the date hereof (“Termination Date”), and all obligations hereunder shall terminate on the Termination Date.
- g) Entire Agreement. This Agreement constitutes the entire agreement with respect to the Information and supersedes all prior or contemporaneous oral or written agreements concerning the Information.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement, which shall be effective as of and on the date set forth in the first paragraph above.

**WYTEC INTERNATIONAL, INC.**

**RECIPIENT**

By: \_\_\_\_\_  
William H. Gray, Chief Executive Officer

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**EXHIBIT D**

**ESCROW AGREEMENT\***

Available upon request.



**EXHIBIT E**

**TECHNOLOGY SERVICES AGREEMENT\***

Available upon request.

## **EXHIBIT F**

### **MILESTONE CHART**

The Milestone Chart contains statements that are “forward-looking” and are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995 and federal securities laws. Generally, the words “expect,” “intend,” “estimate,” “will” and similar expressions identify forward-looking statements. Since forward-looking statements address future conditions, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made and are based on assumptions that may prove to be incorrect.