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

Form 10-Q

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

For the quarterly period ended March 31, 2024

or

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

For the transition period from ___________________ to ____________________

Commission File Number: 001-33035

WidePoint Corporation

(Exact name of Registrant as specified in its charter)

Delaware	**52-2040275**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. employer identification no.)*
11250 Waples Mill Road, South Tower 210, Fairfax, Virginia	**22030**
(Address of principal executive offices)	*(Zip Code)*

(703) 349-2577
(Registrant’s telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Exchange on Which Registered
Common Stock, $0.001 par value per share	WYY	NYSE American

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☑
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes ☐ No ☐

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

As of May 15, 2024, there were 9,311,761 shares of the registrant’s Common Stock issued and outstanding.

WIDEPOINT CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
REVENUES	**$ 34,207,279**	$ 25,273,681
COST OF REVENUES (including amortization and depreciation of $576,905 and $502,560, respectively)	**29,541,388**	21,463,741
GROSS PROFIT	**4,665,891**	3,809,940
OPERATING EXPENSES		
Sales and marketing	**611,893**	521,678
General and administrative expenses (including share-based compensation of $417,783 and $140,116, respectively)	**4,448,483**	3,910,820
Depreciation and amortization	**256,534**	265,843
Total operating expenses	**5,316,910**	4,698,341
LOSS FROM OPERATIONS	**(651,019)**	(888,401)
OTHER (EXPENSE) INCOME		
Interest income	**49,426**	2,196
Interest expense	**(58,737)**	(58,778)
Other (expense) income, net	**(34,871)**	(194)
Total other (expense) income, net	**(44,182)**	(56,776)
LOSS BEFORE INCOME TAX (BENEFIT) PROVISION	**(695,201)**	(945,177)
INCOME TAX (BENEFIT) PROVISION	**(42,091)**	6,302
NET LOSS	**$ (653,110)**	$ (951,479)
EARNINGS PER SHARE, BASIC AND DILUTED	**$ (0.07)**	$ (0.11)
WEIGHTED-AVERAGE SHARES OUTSTANDING, BASIC AND DILUTED	**8,897,819**	8,739,317

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

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WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
NET LOSS	**$ (653,110)**	$ (951,479)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax	**(22,220)**	37,248
Other comprehensive income (loss):	**(22,220)**	37,248
COMPREHENSIVE LOSS	**$ (675,330)**	$ (914,231)

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

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WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2024	DECEMBER 31, 2023
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash	**$ 5,267,934**	$ 6,921,160
Accounts receivable, net of allowance for credit losses of $79,698 and $81,359, respectively	**6,804,519**	8,219,793
Unbilled accounts receivable	**23,072,400**	16,618,639
Other current assets	**1,624,712**	1,083,671
Total current assets	**36,769,565**	32,843,263
NONCURRENT ASSETS		
Property and equipment, net	**695,268**	780,800
Lease right of use asset	**3,876,013**	4,045,222
Intangible assets, net	**6,751,932**	7,336,348
Goodwill	**5,811,578**	5,811,578
Other long-term assets	**489,700**	483,288
Total assets	**$ 54,394,056**	$ 51,300,499
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	**$ 12,061,252**	$ 12,633,658
Accrued expenses	**20,594,212**	16,175,702
Current portion of deferred revenue	**1,850,537**	2,009,343
Current portion of lease liabilities	**619,708**	638,258
Total current liabilities	**35,125,709**	31,456,961

NONCURRENT LIABILITIES		
Lease liabilities, net of current portion	**3,995,834**	4,114,516
Contingent consideration	**6,900**	6,900
Deferred revenue, net of current portion	**999,761**	1,027,770
Deferred tax liabilities, net	**64,753**	16,923
Total liabilities	**40,192,957**	36,623,070
Commitments and contingencies (Note 14)	-	-
STOCKHOLDERS' EQUITY		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; 2,045,714 shares issued and none outstanding	-	-
Common stock, $0.001 par value; 30,000,000 shares authorized; 9,311,761 and 8,893,220 shares issued and outstanding, respectively	**9,313**	8,894
Additional paid-in capital	**102,349,962**	102,151,381
Accumulated other comprehensive loss	**(357,119)**	(334,899)
Accumulated deficit	**(87,801,057)**	(87,147,947)
Total stockholders’ equity	**14,201,099**	14,677,429
Total liabilities and stockholders’ equity	**$ 54,394,056**	$ 51,300,499

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

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WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	**$ (653,110)**	$ (951,479)
Adjustments to reconcile net loss to net cash provided by		
(used in) operating activities:		
Deferred income tax expense	**45,200**	-
Depreciation expense	**260,302**	267,309
Provision for credit losses	**7,566**	35,858
Amortization of intangibles	**573,137**	501,094
Share-based compensation expense	**417,783**	140,116
Changes in assets and liabilities:		
Accounts receivable and unbilled receivables	**(5,317,052)**	(2,528,761)
Inventories	**(291,356)**	(17,294)
Other current assets	**(251,778)**	15,790
Other assets	**(6,412)**	-
Accounts payable and accrued expenses	**3,909,794**	113,869
Income tax payable	**(72,015)**	55,703
Deferred revenue and other liabilities	**(178,728)**	(121,253)
Other liabilities	**-**	-

Net cash used in operating activities	**(1,556,669)**	(2,489,048)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(6,494)**	(96,721)
Capitalized hardware and software development costs	**-**	(262,549)
Proceeds from beneficial interest in sold receivables	**259,125**	-
Net cash provided by (used in) investing activities	**252,631**	(359,270)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on bank line of credit	**1,000,000**	4,313,007
Repayments of bank line of credit advances	**(1,000,000)**	(4,313,007)
Principal repayments under finance lease obligations	**(137,469)**	(125,568)
Withholding taxes paid on behalf of employees on net settled restricted stock awards	**(218,783)**	(3,628)
Net cash used in financing activities	**(356,252)**	(129,196)
Net effect of exchange rate on cash	**7,064**	24,613
NET DECREASE IN CASH	**(1,653,226)**	**(2,952,901)**
CASH, beginning of period	**6,921,160**	7,530,864
CASH, end of period	**$ 5,267,934**	$ 4,577,963

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

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WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	**$ 51,940**	$ 55,979
NONCASH INVESTING AND FINANCING ACTIVITIES		
Capitalized hardware and software development costs in accounts payable	**$ -**	$ 190,773

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

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WIDEPOINT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-In	Accumulated	Accumulated	
	Issued	Amount	Capital	OCI	Deficit	Total
			(Unaudited)			
Balance, January 1, 2023	8,725,476	$ 8,726	$101,194,185	$ (350,234)	$(83,101,474)	$17,751,203
Issuance of common stock — restricted	13,841	14	(3,642)	-	-	(3,628)
Stock compensation expense — restricted	-	-	140,116	-	-	140,116
Foreign currency translation — gain	-	-	-	37,248	-	37,248
Net loss	-	-	-	-	(951,479)	(951,479)
Balance, March 31, 2023	8,739,317	$ 8,740	$101,330,659	$ (312,986)	$(84,052,953)	$16,973,460

	Common Stock		**Additional Paid-In**	**Accumulated**	**Accumulated**	
	Issued	**Amount**	**Capital**	**OCI**	**Deficit**	**Total**
			(Unaudited)			
Balance, January 1, 2024	**8,893,220**	**$ 8,894**	**102,151,381**	**(334,899)**	**(87,147,947)**	**14,677,429**
Issuance of common stock — restricted	**418,541**	**419**	**(219,202)**	**-**	**-**	**(218,783)**
Stock compensation expense — restricted	**-**	**-**	**389,393**	**-**	**-**	**389,393**
Stock compensation expense — non-qualified stock options	**-**	**-**	**28,390**	**-**	**-**	**28,390**
Foreign currency translation — (loss)	**-**	-	**-**	**(22,220)**	**-**	**(22,220)**
Net loss	-	-	-	-	**(653,110)**	**(653,110)**
Balance, March 31, 2024	**9,311,761**	**$ 9,313**	**$102,349,962**	**$ (357,119)**	**$ (87,801,057)**	**$14,201,099**

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

WIDEPOINT CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Nature of Operations

Organization

WidePoint Corporation ("WidePoint" or the "Company") was incorporated in Delaware on May 30, 1997 and conducts operations through its wholly-owned operating subsidiaries throughout the continental United States, Ireland, the Netherlands and the United Kingdom. The Company's principal executive and administrative headquarters is located in Fairfax, Virginia.

Nature of Operations

The Company is a leading provider of Technology Management as a Service (TMaaS). The Company's TMaaS platform and service solutions enable its customers to efficiently secure, manage and analyze the entire lifecycle of their mobile communications assets through its federally compliant platform Intelligent Technology Management System (ITMS™). The Company's ITMS platform is SSAE 18 compliant and was granted an Authority to Operate by the U.S. Department of Homeland Security. Additionally, the Company was granted an Authority to Operate by the General Services Administration with regard to its identity credentialing component of its TMaaS platform. The Company's TMaaS platform is internally hosted and accessible on-demand through a secure customer portal that is specially configured for each customer. The Company can deliver these solutions in a number of configurations ranging from utilizing the platform as a service to a full-service solution that includes full lifecycle support for all end users and the organization.

A significant portion of the Company's expenses, such as personnel and facilities costs, are fixed in the short term and may not be easily modified to manage through changes in the Company's market place that may create pressure on pricing and/or costs to deliver its services.

The Company has periodic capital expense requirements to maintain and upgrade its internal technology infrastructure tied to its hosted solutions and other such costs may be significant when incurred in any given quarter.

2. Basis of Presentation and Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements as of March 31, 2024 and for each of the three month periods ended March 31, 2024 and 2023, included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Pursuant to such regulations, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted. It is the opinion of management that all adjustments (which include normal recurring adjustments) necessary for a fair statement of financial results are reflected in the financial statements for the interim periods presented. The condensed consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The results of operations for the three month period ended March 31, 2024 are not necessarily indicative of the operating results for the full year.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries and acquired entities since their respective dates of acquisition. All significant inter-company amounts were eliminated in consolidation.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars based upon exchange rates prevailing at the end of each reporting period. The resulting translation adjustments, along with any related tax effects, are included in accumulated other comprehensive income, a component of stockholders' equity. Translation adjustments are reclassified to earnings upon the sale or substantial liquidation of investments in foreign operations. Revenues and expenses are translated at the average month-end exchange rates during the year. Gains and losses related to transactions in a currency other than the functional currency, including operations outside the U.S. where the functional currency is the U.S. dollar, are reported net in the Company's condensed consolidated statements of operations, depending on the nature of the activity.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring use of estimates and judgment relate to revenue recognition, allowance for credit losses, ability to realize intangible assets and goodwill, ability to realize deferred income tax assets, fair value of certain financial instruments and the evaluation of contingencies and litigation. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. There were no significant changes in accounting estimates used by management during the quarter.

Segment Reporting

The Company's TMaaS offerings are substantially managed service driven solutions that use our proprietary technology platform to deliver our services and reported on that basis to its Chief Operating Decision Maker who evaluates its business as a single segment. See Note 13 for detailed information regarding the composition of revenues.

Significant Accounting Policies

There were no significant changes in the Company's significant accounting policies during the first three months of 2024 from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 26, 2024.

Recently Adopted Accounting Standards

On November 27, 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* , to improve the disclosures about a public entity's reportable segments and expenses. The standard requires disclosure of the chief operating decision maker's (the "CODM") title and position as well as multiple measures of segment profit and loss reviewed by the CODM. Companies with multiple reportable segments as well as companies with a single reportable segment are required to adopt the standard and it should be applied retrospectively to all periods presented. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective adoption. Early adoption is permitted. As Company operates as a single reportable segment, the Company is currently evaluating the impacts this standard will have on its existing segment disclosures.

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3. Accounts Receivable and Significant Concentrations

A significant portion of the Company's receivables are billed under firm fixed price contracts with agencies of the U.S. federal government and similar pricing structures with several corporations. Accounts receivable consist of the following by customer type in the table below as of the periods presented:

	MARCH 31, 2024	DECEMBER 31, 2023
	(Unaudited)	
U.S. Federal, State, and Local Government (1)	**$ 4,410,463**	$ 6,402,922
Commercial (2)	**2,473,754**	1,898,230
Gross accounts receivable	**6,884,217**	8,301,152
Less: allowances for credit losses (3)	**79,698**	81,359
Accounts receivable, net	**$ 6,804,519**	$ 8,219,793

(1) Government contracts are generally firm fixed price not to exceed arrangements with a term of five (5) years, which consists of a base year and four (4) annual option year renewals. Government receivables are billed under a single consolidated monthly invoice and are billed approximately thirty (30) to sixty (60) days in arrears from the date of service and payment is generally due within thirty (30) days of the invoice date. Government accounts receivable payments could be delayed due to administrative processing delays by the government agency, continuing budget resolutions or a government shutdown that may delay availability of contract funding, and/or administrative only invoice correction requests by contracting officers that may delay payment processing by our government customers.

(2) Commercial contracts are generally fixed price arrangements with contract terms ranging from two (2) to three (3) years. Commercial accounts receivables are billed based on the underlying contract terms and conditions which generally have repayment terms that range from thirty (30) to ninety (90) days. Commercial receivables are stated at amounts due from customers net of an allowance for credit losses if deemed necessary.

(3) For the three month period ended March 31, 2024, the Company did not recognize any material provisions of recoveries of existing provision for credit losses. The Company has not historically maintained an allowance for credit losses for its government customers as it has not experienced material or recurring credit losses and the nature and size of the contracts has not necessitated the Company's establishment of such an allowance for credit losses.

Significant Concentrations

The following table presents consolidated trade accounts receivable by customer as of the periods presented below:

	MARCH 31, 2024	DECEMBER 31, 2023
Customer Type	**As a % of Receivables**	As a % of Receivables
	(Unaudited)	
U.S. Federal Government	**64%**	77%

The following table presents revenue by customer for each of the periods presented:

Customer Type	THREE MONTHS ENDED MARCH 31, As a % of Revenue **2024**	As a % of Revenue 2023
U.S. Federal Government (1)	82%	80%

(1) Sales to the U.S. federal government include sales from contracts for which we are the prime contractor, as well as those for which we are a subcontractor and the ultimate customer is the U.S. government.

Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash on deposit with financial institutions, the balances of which frequently exceed federally insured limits. If the financial institution with whom we do business were to be placed into receivership, we may be unable to access to the cash we have on deposit with such institutions. If we are unable to access our cash and cash equivalents as needed, our financial position and ability to operate our business could be adversely affected. At March 31, 2024, the Company had deposits in excess of FDIC limits of approximately $3.8 million. The Company also maintains deposits with a financial institution in Ireland that are insured by the Central Bank of Ireland up to a maximum of €100,000 per financial institution. At March 31, 2024, the Company had foreign bank deposits in excess of insured limits of approximately €328,900.

4. Unbilled Accounts Receivable

Unbilled accounts receivable represent revenues earned but not invoiced to the customer at the balance sheet date due to either timing of invoice processing or delays due to fixed contractual billing schedules. A significant portion of our unbilled accounts receivable consist of carrier services and hardware and software products delivered but not invoiced at the end of the reporting period.

The following table presents customers that represent ten (10) percent or more of consolidated unbilled accounts receivable as of the dates presented below:

Customer Type	**MARCH 31, 2024** As a % of Unbilled Receivables	DECEMBER 31, 2023 As a % of Unbilled Receivables
	(Unaudited)	
U.S. Federal Government	**98%**	97%

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5. Other Current Assets and Accrued Expenses

Other current assets consisted of the following as of the dates presented below:

	MARCH 31, 2024	DECEMBER 31, 2023
	(Unaudited)	
Inventories	**$ 657,326**	$ 366,126
Prepaid insurance and other assets	**967,386**	717,545
Total other current assets	**$ 1,624,712**	$ 1,083,671

Accrued expenses consisted of the following as of the dates presented below:

	MARCH 31, 2024	DECEMBER 31, 2023
	(Unaudited)	
Carrier service costs	**$ 17,309,510**	$ 12,959,350
Salaries and payroll taxes	**2,010,890**	1,681,160
Inventory purchases, consultants and other costs	**1,273,812**	1,463,102
Other	**-**	72,090
	$ 20,594,212	$ 16,175,702

6. Property and Equipment

Major classes of property and equipment consisted of the following as of the dates presented below:

	MARCH 31, 2024	DECEMBER 31, 2023
	(Unaudited)	
Computer hardware and software	**$ 3,343,801**	$ 3,355,488
Furniture and fixtures	**501,098**	503,913
Leasehold improvements	**323,847**	330,040
Automobiles	**128,187**	128,994

Gross property and equipment	**4,296,933**	4,318,435
Less: accumulated depreciation and amortization	**3,601,665**	3,537,635
Property and equipment, net	**$ 695,268**	$ 780,800

During the three month periods ended March 31, 2024 and 2023 property and equipment depreciation expense was approximately $ 91,100 and $116,400, respectively.

During the three month periods ended March 31, 2024 and 2023, there were no material disposals of owned property and equipment.

There were no changes in the estimated useful lives used to depreciate property and equipment during the three month periods ended March 31, 2024 and 2023.

7. Goodwill and Intangible Assets

The Company has recorded goodwill of $5,811,578 as of March 31, 2024 and December 31, 2023. There were no changes in the carrying amount of goodwill during the three month period ended March 31, 2024.

Intangible assets consists of the following:

	MARCH 31, 2024		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Book Value**
Customer Relationships	**$ 2,392,000**	**$ (598,000)**	**$ 1,794,000**
Channel Relationships	**2,628,080**	**(1,737,453)**	**890,627**
Internally Developed Software	**7,871,341**	**(4,769,140)**	**3,102,201**
Trade Name and Trademarks	**1,330,472**	**(365,368)**	**965,104**
	$ 14,221,893	**$ (7,469,961)**	**$ 6,751,932**

	DECEMBER 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer Relationships	$ 2,392,000	$ (538,200)	$ 1,853,800
Channel Relationships	2,628,080	(1,693,652)	934,428
Internally Developed Software	7,892,045	(4,331,203)	3,560,842
Trade Name and Trademarks	1,330,472	(343,194)	987,278
	$ 14,242,597	$ (6,906,249)	$ 7,336,348

The Company did not capitalize any internally developed software costs for the three month period ended March 31, 2024.

For the three month period ended March 31, 2023, the Company capitalized $ 453,300 of internally developed software costs, primarily associated with upgrading our ITMS™ (Intelligent Technology Management System), secure identity management technology and secure network operations center of which $280,220 was transferred from capital work in progress to internally developed software during the period. Capital work in progress is included in other long-term assets in the consolidated balance sheet.

There were no disposals of intangible assets during the three month period ended March 31, 2024 and 2023.

The aggregate amortization expense recorded for the three month periods ended March 31, 2024 and 2023 were approximately $ 573,100 and $501,100 respectively.

As of March 31, 2024, estimated annual amortization for our intangible assets is approximately:

Remainder of 2024	$	1,776,442
2025		1,731,939
2026		922,517
2027		557,950
2028		503,106
Thereafter		1,259,978
Total	$	6,751,932

8. Credit Agreements

From June 15, 2017 to June 2023, the Company had a Loan and Security Agreement with Atlantic Union Bank that matured in June 2023 and was not renewed.

On April 28, 2023, the Company entered into an Accounts Receivable Purchase Agreement (the “Purchase Agreement”) with Republic Capital Access, LLC (the “Buyer”) for the non-recourse sale of eligible accounts receivable relating to U.S. Government prime contracts or subcontracts of the Company (collectively, the “Purchased Receivables”) to replace the Company’s matured Loan and Security Agreement with Atlantic Union Bank. Upon purchase, Buyer becomes the absolute owner of any such Purchased Receivables, which are payable directly to the Buyer. The total amount of Purchased Receivables is subject to a maximum limit of $4 million outstanding Purchased Receivables at any time, with an available increase to $14 million, subject to adequate receivables. The Purchase Agreement contained customary fees, covenants and representations.

Pursuant to the Purchase Agreement, the Company may from time to time offer and sell eligible accounts receivable to the Buyer. The Buyer pays the sales proceed of the purchase of the receivable invoices in two installments; first installment is Initial Purchase Price, which is 90% if the debtor is an agency of the U.S. Government, and 85% if the debtor is not an agency of the U.S. Government, of the invoice amount. The second and final installment is the residual purchase price that is the invoice amount less the initial purchase price less applicable discount factor and fees.

During the three month period ended March 31, 2024, the Company sold a total of $ 2.9 million of receivables for $ 2.8 million in proceeds net of fees. As of March 31, 2024, there is no outstanding residual payment balance under the Purchase Agreement and it expired in April of 2024.

On February 29, 2024, the Company entered into a Loan and Security Agreement (the “Loan”) and Promissory Note (the “Note,” and, together with the Loan, the “Agreements”) with Old Dominion National Bank. The Agreements provide for a new $4,000,000 revolving line of credit facility (the “Credit Facility”).

Advances under the Credit Facility are subject to a borrowing base equal to the lesser of (i) $ 4,000,000 or (ii) 80% of billed accounts receivable less than 90 days outstanding. Interest accrues on the outstanding principal balance of the Credit Facility at an annual rate equal to the Prime Rate published in The Wall Street Journal, subject to a floor rate of 7.25% . Outstanding interest on the amount borrowed is payable monthly and all outstanding interest and principal is due on the maturity date of February 28, 2025. The Credit Facility includes customary covenants and events of default, including the following items that are measured annually commencing December 31, 2024: (i) a minimum tangible net worth of $2.0 million; (ii) a minimum annual EBITDA of $1.0 million and (iii) a ratio of current assets to current liabilities of not less than 1.0 to 1.0 . The terms of new Credit Facility prohibit the use of our Factoring Arrangement. The Company did not have an outstanding balance on its Credit Facility as of March 31, 2024.

9. Income Taxes

The Company's effective tax rate was 6.1% and (0.7)% for the three month periods ended March 31, 2024 and 2023, respectively. The difference in the effective tax rate and the U.S. federal statutory rate was primarily due to the full valuation allowance the Company maintains against its deferred tax assets and state minimum taxes in the United States. The effective tax rate is calculated by dividing the Provision (benefit) for income taxes by the loss before provision (benefit) for income taxes.

10. Stockholders' Equity

Common Stock

The Company is authorized to issue 30,000,000 shares of common stock, $0.001 par value per share. As of March 31, 2024, there were

9,311,761 shares issued and outstanding.

On June 22, 2023, the stockholders of the Company approved an amendment and restatement of the 2017 WidePoint Omnibus Incentive Plan (the "Plan") to increase the number of shares authorized for issuance by one million three hundred thousand shares (1,300,000).

During the three month period ended March 31, 2024, there were 503,313 shares of common stock vested in accordance with the vesting terms of RSAs. Six employees received less than the shares vested because they elected to have a total of 84,772 shares withheld in satisfaction of the employees corresponding tax liability of approximately $218,800. The Company's payment of this tax liability was recorded as a cash flow from financing activity on the consolidated statement of cash flows.

During the three month period ended March 31, 2023, there were 15,837 shares of common stock vested in accordance with the vesting terms of the RSAs. Two employees received less than the shares vested because they elected to have a total of 1,993 shares withheld in satisfaction of the employees corresponding tax liability of approximately $3,600. The Company's payment of this tax liability was recorded as a cash flow from financing activity on the consolidated statement of cash flows.

There were no stock option exercises during the three month periods ended March 31, 2024 and 2023.

Contingent Warrants

Liability-classified warrants consist of warrants to acquire common stock at an exercise price of $ 5.33 per share as part of the consideration for the acquisition of ITA in 2021, during the earn-out period from 2021 to 2024. Based on our consideration of the ASC 815-40 guidance, we account for these contingent warrants as a liability. The estimated fair value of outstanding contingent warrants accounted for as liabilities is determined at each balance sheet date. Any decrease or increase in the estimated fair value of the warrant liability since the most recent balance sheet date is recorded in the consolidated statement of operations as other income (expense).

Warrants Issued

On March 31, 2022, the Company issued a warrant to purchase 75,000 shares of common stock as part of the contingent consideration earned by ITA for 2021 EBITDA achievement. The warrant contains a strike price of $5.33 and has a four-year contractual term.

11. Share-based Compensation

Share-based compensation (including restricted stock awards) represents both stock option-based expense and stock grant expense. The following table sets forth the composition of stock compensation expense included in general and administrative expense for the periods then ended:

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
Restricted share-based compensation expense	**$ 389,393**	$ 140,116
Non-qualified option share-based compensation expense	**28,390**	-
Total share-based compensation before taxes	**$ 417,783**	$ 140,116

The Company's stock incentive plan is administered by the Compensation Committee of the Board of Directors and authorizes the grant or award of incentive stock options (ISO), nonqualified stock options (NQSO), restricted stock awards (RSA), restricted stock units, stock appreciation rights, dividend equivalent rights, performance unit awards and phantom shares. The Company issues new shares of common stock upon the exercise of stock options.

Restricted Stock

The Company records the fair value of all restricted stock shares based on the grant date fair value and amortizes stock compensation on a straight-line basis over the vesting period. Restricted stock shares are issued when vested and included in the total number of common shares issued and outstanding. There were no restricted stock share awards granted during the three month periods ended March 31, 2024 and 2023.

Stock Options

The Company estimates the fair value of nonqualified stock awards using a Black-Scholes Option Pricing model ("Black-Scholes model"). The fair value of each stock award is estimated on the date of grant using the Black-Scholes model, which requires an assumption of dividend yield, risk free interest rates, volatility, and expected option life. The risk-free interest rates are based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant. Expected volatilities are based on the historical volatility of our common stock over the expected option term. The expected term of options granted is calculated using the simplified method. The Company recognizes forfeitures as they occur. There were no stock option awards granted during the three month periods ended March 31, 2024 and 2023.

At March 31, 2024, the Company had approximately $ 0.2 million of total unrecognized share-based compensation expense, net of estimated forfeitures, related to share-based compensation that will be recognized over the weighted average remaining period of 1.4 years.

Long-Term Incentive Plan

The Company maintains a long-term incentive plan (LTIP) that covers the period of January 1, 2023 through January 1, 2026. The plan was formally approved by the Board of Directors in 2024. The LTIP has two components of equity-based compensation. The first is 250,000 Restricted Stock Awards (RSAs) that were granted to members of management on April 2, 2024 and vested 33% on the date of grant with the remainder to vest on January 1, 2025 and 2026, subject to continued service. The estimated fair value of these RSAs of $640,500 will be recorded over the service period. The second is 250,000 Performance- based Restricted Stock Units (PSRUs) that would vest upon meeting, certain revenue or, adjusted EBITDA performance targets through December 31, 2025, subject to continued service. The estimated fair value of these PRSUs of $ 640,500 will be recorded if and when the Company concludes that it is probable that either performance condition will be achieved.

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12. Earnings Per Common Share (EPS)

The computations of basic and diluted earnings per share were as follows for the periods presented below:

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
Basic and Diluted Earnings Per Share Computation:		
Net loss	**$ (653,110)**	$ (951,479)
Weighted average number of common shares	**8,897,819**	8,739,317
Basic and Diluted Loss Per Share	**$ (0.07)**	$ (0.11)

For the three month period ended March 31, 2024, the Company had unexercised stock options of 288,570, RSAs of 112,679 and warrants to purchase 150,000 shares of common stock, outstanding, that were anti-dilutive. For the three month period ended March 31, 2023, the Company had unexercised stock options of 7,500, RSAs of 173,069 and warrants to purchase 150,000 shares of common stock, outstanding, that were anti-dilutive.

13. Revenue from Contracts with Customers

The following table was prepared to provide additional information about the composition of revenues from contracts with customers for the periods presented:

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
Carrier Services	**$ 19,342,789**	$ 13,597,701
Managed Services	**14,864,490**	11,675,980
	$ 34,207,279	$ 25,273,681

The Company recognized revenues from contracts with customers for the following customer types as set forth below:

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
U.S. Federal Government	**$ 28,067,572**	$ 20,230,576
U.S. State and Local Governments	**96,679**	91,023
Foreign Governments	**10,392**	16,557
Commercial Enterprises	**6,032,636**	4,935,525
	$ 34,207,279	$ 25,273,681

The Company recognized revenues from contracts with customers in the following geographic regions:

	THREE MONTHS ENDED MARCH 31,	
	2024	2023
	(Unaudited)	
United States	**$ 33,250,246**	$ 24,209,410
Europe	**957,033**	1,064,271
	$ 34,207,279	$ 25,273,681

During the three months ended March 31, 2024 and 2023, the Company recognized approximately $ 908,900 and $709,400, respectively, of revenue related to amounts that were included in deferred revenue as of December 31, 2023 and 2022, respectively.

14. Commitments and Contingencies

Employment Agreements

The Company has employment agreements with certain executives that set forth compensation levels and provide for severance payments in certain instances.

Litigation

The Company is not involved in any material legal proceedings.

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ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements concerning our business, operations and financial performance and condition as well as our plans, objectives and expectations for our business operations and financial performance and condition that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Form 10-Q are forward-looking statements. You can identify these statements by words such as “aim,” “anticipate,” “assume,” “believe,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “positioned,” “predict,” “should,” “target,” “will,” “would” and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management's beliefs and assumptions. These statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- Our ability to successfully execute our strategy;
- Our ability to sustain profitability and positive cash flows;
- Our ability to gain market acceptance for our products;
- Our ability to win new contracts, execute contract extensions and expand scope of services on existing contracts;
- Our ability to compete with companies that have greater resources than us;
- Our ability to penetrate the commercial sector to expand our business;
- The impact of supply chain issues;
- Our ability to identify potential acquisition targets and close such acquisitions;
- Our ability to successfully integrate acquired businesses with our existing operations;
- Our ability to maintain a sufficient level of inventory necessary to meet our customers demand due to supply shortage and pricing;
- Our ability to retain key personnel;

- The impact of increasingly volatile public equity markets on our market capitalization;
- The impact and outcome of on-going dialogue around the Federal budget;
- Our ability to mitigate the impacts of inflation; and
- The risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 26, 2024.

The forward-looking statements included in this Form 10-Q are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. Readers are cautioned not to put undue reliance on forward-looking statements. In this Quarterly Report on Form 10-Q, unless the context indicates otherwise, the terms “Company” and “WidePoint,” as well as the words “we,” “our,” “ours” and “us,” refer collectively to WidePoint Corporation and its consolidated subsidiaries.

Business Overview

We are a leading provider of Technology Management as a Service (TMaaS) that consists of federally certified communications management, identity management, interactive bill presentment and analytics, and Information Technology as a Service solutions. We help our clients achieve their organizational missions for mobility management, information technology management, and cybersecurity objectives in this challenging and complex business environment.

We offer our TMaaS solutions through a flexible managed services model which includes both a scalable and comprehensive set of functional capabilities that can be used by any customer to meet the most common functional, technical and security requirements for mobility management. Our TMaaS solutions were designed and implemented with flexibility in mind such that it can accommodate a large variety of customer requirements through simple configuration settings rather than through costly software development. The flexibility of our TMaaS solutions enables our customers to be able to quickly expand or contract their mobility management requirements. Our TMaaS solutions are hosted and accessible on-demand through both a secure federal government certified proprietary portal and/or through a secure enterprise portal that provides our customers with the ability to manage, analyze and protect their valuable communications assets, and deploy identity management solutions that provide secured virtual and physical access to restricted environments.

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Revenue Mix

Our revenue mix fluctuates due to customer driven factors including: i) timing of technology and accessory refresh requirements from our customers; ii) onboarding of new customers that require carrier services; iii) subsequent decreases in carrier services as we optimize their data and voice usage; iv) delays in delivering products or services; and v) changes in control or leadership of our customers that lengthens our sales cycle, changes in laws or funding, among other circumstances that may unexpectedly change the revenue earned and/or duration of our services. As a result, our revenue will vary by quarter.

For additional information related to our business operations, see the description of our business set forth in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on March 26, 2024.

Strategic Focus and Notable Events

Our longer-term strategic focus and goals are driven by our need to expand our critical mass so that we have more flexibility to fund investments in technology solutions and introduce new sales and marketing initiatives in order to expand our marketplace share and increase the breadth of our offerings in order to improve company sustainability and growth.

In fiscal 2024, we continue to focus on the following key goals:

- Capture new sales opportunities,
- Provide unmatched levels of service to our current customer base,
- Attain full FedRAMP certification,
- Grow our recurring high margin managed services revenues,
- Add incremental capabilities to our Technology Management solution set and develop and acquire new high margin business lines,
- Leverage our software platforms to grow our SaaS revenues and take advantage of the opportunities emerging from the growth in remote working,
- Expand our customer base organically,
- Continue to leverage the R2v3 Certification to further our ESG commitment,

- Execute cross-sell opportunities identified from ITA acquisition, including Identity Management (IdM), Telecommunications Lifecycle Management (TLM) and Digital Billing & Analytics (DB&A) solution,
- Growing our sales pipeline by continuing to invest in our business development and sales team assets,
- Pursuing additional opportunities with our key systems integrator and strategic partners, and
- Expanding our solution offerings into the commercial space,
- Explore integration of artificial intelligence into our solution to provide better information security, and improve service delivery while reducing response time and cost.

Our strategy for achieving our longer-term goals include:

- Establishing a market leadership position in the trusted mobility management (TM2) sector,
- pursuing accretive and strategic acquisitions to expand our solutions and our customer base,
- delivering new incremental offerings to add to our existing TM2 offering,
- developing and testing innovative new offerings that enhance our TM2 offering, and
- transitioning our data center and support infrastructure into a more cost-effective and federally approved cloud environment to comply with perceived future contract requirements.

We believe these actions could drive a strategic repositioning of our TM2 offering and may include the sale of non-aligned offerings coupled with acquisitions of complementary and supplementary offerings that could result in a more focused core set of TM2 offerings.

Results of Operations

Three Months Ended March 31, 2024 as Compared to Three Months Ended March 31, 2023

Revenues. Revenues for the three month period ended March 31, 2024 were approximately $34.2 million, an increase of approximately $8.9 million (or 35%), as compared to approximately $25.3 million in the same period in 2023. Our mix of revenues for the periods presented is set forth below:

	THREE MONTHS ENDED MARCH 31,		Dollar
	2024	2023	**Variance**
Carrier Services	**$ 19,382,669**	$ 13,597,699	$ 5,784,970
Managed Services:			
Managed Service Fees	**8,681,097**	6,852,099	1,828,998
Billable Service Fees	**1,190,200**	1,250,334	(60,134)
Reselling and Other Services	**4,953,313**	3,573,549	1,379,764
	14,824,610	11,675,982	3,148,628

$ 34,207,279	$ 25,273,681	$ 8,933,598

Our carrier services revenue was $19.3 million, an increase of approximately $5.8 million, as compared with the same period in 2023.

Our managed service fees were $8.7 million, an increase of approximately $1.8 million, as compared with the same period in 2023.

The increase in both carrier services revenues and managed service fees was primarily due to new federal customers signed in the third and fourth quarter of 2023.

Billable service fees remained relatively consistent with the same period in 2023.

Reselling and other services increased by approximately $1.4 million from the same period last year primarily due to additional products being offered for resale. Reselling and other services are transactional in nature, and the amount and timing of revenue will vary significantly from quarter to quarter.

Cost of Revenues. Cost of revenues for the three month period ended March 31, 2024 were $29.5 million (or 86% of revenues), which is consistent with $21.5 million (or 85% of revenues) in 2023. Included in cost of revenues is carrier costs paid on behalf of our DHS customer of approximately $19.4 million and $13.6 million for the three month periods ended March 31, 2024 and 2023, respectively. We do not typically mark up our carrier payments.

Gross Profit. Gross profit for the three month period ended March 31, 2024 was $4.6 million (or 14% of revenues), as compared to approximately $3.8 million (or 15% of revenues) in 2023. The slight decline in gross margin as a percentage of revenues in the first quarter of 2024 compared to the same period last year was related to increased amortization expenses as our delivery platforms are placed into service.

Gross profit excluding carrier services was 31% in the first quarter of 2024 compared to 33% in the same period last year due in part to the increased amortization on our delivery platforms and due to increased reselling revenues which are lower margin.

Sales and Marketing. Sales and marketing expense for the three month period ended March 31, 2024 was approximately $0.6 million (or -2% of revenues), as compared to approximately $0.5 million (or 2% of revenues) in 2023.

General and Administrative. General and administrative expenses for the three month period ended March 31, 2024 were approximately $4.4 million (or 15% of revenues), as compared to approximately $3.7 million (or 13% of revenues) in 2022. The increase during 2024 primarily relates to an increase in share based compensation expense compared to the same period last year.

Depreciation and Amortization. Depreciation and amortization expense for the three month period ended March 31, 2024 was approximately $256,500 as compared to approximately $265,900 in 2023. The change in depreciation and amortization expense is related to capital investments in our delivery platforms reaching completion and beginning to be amortized.

Other Expense. Other expense for the three month period ended March 31, 2024 was approximately $44,200 as compared to approximately $56,800 in 2023.

Income Taxes. Income tax benefit for the three month period ended March 31, 2024 was approximately $42,100 as compared to income tax provision of approximately $6,300 in 2023. Income taxes were accrued at an estimated effective tax rate of 6.1% for the three month period ended March 31, 2024 compared to (0.7)% for the three month period ended March 31, 2023.

Net Loss. As a result of the cumulative factors annotated above, net loss for the three month period ended March 31, 2024 decreased by approximately $298,400 to approximately $653,100 as compared to net loss of approximately $951,500 for the three month period ended March 31, 2023.

Liquidity and Capital Resources

Our immediate sources of liquidity include cash, accounts receivable, unbilled receivables and access to our new credit agreement with Old Dominion National Bank.

At March 31, 2024, our net working capital was approximately $1.6 million as compared to $1.4 million at December 31, 2023. The increase in net working capital was primarily driven by positive free cashflow and a decrease in investments in computer hardware and software purchases and capitalized internally developed software costs during the first quarter of 2024 compared to the prior period. We believe that our existing cash on hand, our anticipated cash flows from operations, and funds available under the Old Dominion Credit Facility, through its maturity on February 28, 2025, will be sufficient to meet our working capital, expenditure, and contractual obligation requirements for the next 12 months.

Cash Flows from Operating Activities

For the three months ended March 31, 2024, net cash used in operations was approximately $1.6 million driven by collections of accounts receivables and temporary payable timing differences, as compared to approximately $2.6 million net cash used in operations for the three months ended March 31, 2023.

Our single largest cash operating expense is the cost of labor and the Company sponsored healthcare benefit programs. Our second largest cash operating expense is our facility costs and related technology communication costs to support delivery of our services to our customers. We lease most of our facilities under non-cancellable long term contracts that may limit our ability to reduce fixed infrastructure expenditures in the short term. Any changes to our fixed labor and/or infrastructure costs may require a significant amount of time to take effect depending on the nature of the change made. We also may experience temporary collection timing differences from time to time due to customer invoice processing delays that are often beyond our control. New customers often take more time to implement our billing processes. Further, changes within existing customers deployment of our services can cause temporary delays in billings. While we have historically been able to resolve these administrative matters timely, given the scale of several new customer implementations, failure to resolve these matters on a timely basis could negatively impact our cashflows from operations.

Cash Flows from Investing Activities

Cash used in investing activities provides an indication of our long term infrastructure investments. We maintain our own technology infrastructure and may need to make additional purchases of computer hardware, software and other fixed infrastructure assets to ensure our environment is properly maintained and can support our customer obligations. We typically fund purchases of long term infrastructure assets with available cash or capital lease financing agreements.

For the three months ended March 31, 2024, cash provided by investing activities was approximately $0.3 million and consisted of receipt of deferred portion of proceeds from factoring arrangement offset by purchases of property and equipment.

For the three months ended March 31, 2023, cash used in investing activities was approximately $0.4 million and consisted of computer hardware and software purchases and capitalized internally developed software costs, primarily associated with upgrading our ITMS™ platform, secure identity management technology and network operations center.

Cash Flows from Financing Activities

Cash provided by (used in) financing activities provides an indication of our debt financing and stock option exercises.

For the three months ended March 31, 2024, cash used in financing activities was approximately $0.3 million and reflects line of credit advances and payments of $1.0 million, lease principal repayments of approximately $137,500, and withholding taxes paid on behalf of employees on net settled restricted stock awards of approximately $218,800.

For the three months ended March 31, 2023, cash used in financing activities was approximately $0.1 million and reflects line of credit advances and payments of approximately $4.3 million, lease principal repayments of approximately $125,600, and withholding taxes paid on behalf of employees on net settled restricted stock awards of approximately $3,600.

Net Effect of Exchange Rate on Cash and Equivalents

For the three months ended March 31, 2024 and 2023, the gradual appreciation of the Euro relative to the US dollar increased the translated value of our foreign cash balances by approximately $7,100 as compared to last year.

Off-Balance Sheet Arrangements

The Company has no existing off-balance sheet arrangements as defined under SEC regulations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report on Form 10-Q to ensure information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. These disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit is accumulated and communicated to management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in the Company’s internal control over financial reporting during the three month period ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

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PART II – OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

The Company is not currently involved in any material legal proceeding.

ITEM 1A RISK FACTORS

Our risk factors have not changed materially from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Repurchase of Securities

The following table represents information with respect to shares of common stock withheld from vesting's of stock-based compensation awards for employee income tax withholding for the periods indicated:

	Total Number of Shares Purchased	Average Price Paid Per Share	Dollar Value of Shares Purchased as as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that may be Purchased Under Approved Plans or Programs
March 2024	84,772	$ 2.58	-	$ -
Total	84,772	$ 2.58	-	$ -

ITEM 3 DEFAULT UPON SENIOR SECURITIES

None

ITEM 4 MINE SAFETY DISCLOSURES

None

ITEM 5 OTHER INFORMATION

During the three months ended March 31, 2024, there were no modifications, adoptions or terminations by any directors or officers to any contract, instruction or written plan for the purchase or sale of securities of the Company that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or non-Rule 10b5-1 trading agreements.

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ITEM 6. EXHIBITS

EXHIBIT NO.	DESCRIPTION
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith).
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith).
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Furnished herewith).
101.	Interactive Data Files
101.INS+	XBRL Instance Document
101.SCH+	XBRL Taxonomy Extension Schema Document
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF+	XBRL Taxonomy Definition Linkbase Document
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document
104.	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WIDEPOINT CORPORATION

Date: May 15, 2024

/s/ JIN H. KANG
Jin H. Kang
President and Chief Executive Officer

Date: May 15, 2024

/s/ ROBERT J. GEORGE
Robert J. George
Chief Financial Officer

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, Jin H. Kang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WidePoint Corporation;

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

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

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

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

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

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

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

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

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

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

Date: May 15, 2024

By: /s/ JIN H. KANG
Jin H. Kang
Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a)
or 15d-14(a) under the Securities Exchange Act of 1934

I, Robert J. George, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WidePoint Corporation;

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

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

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

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

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

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

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

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

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

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

Date: May 15, 2024

By: /s/ ROBERT J. GEORGE
Robert J. George
Chief Financial Officer

EXHIBIT 32

Written Statement of the Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. § 1350

Solely for the purposes of complying with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of WidePoint Corporation (the “Company”), respectively, hereby certify, based on our knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JIN H. KANG
Jin H. Kang
Chief Executive Officer

/s/ ROBERT J. GEORGE
Robert J. George
Chief Financial Officer

Date: May 15, 2024