

Management Certification

The undersigned, on behalf of FalconStor Software, Inc. ("the Company"), certifies that the information provided herein is accurate and complete to the best of the Company's knowledge.

1. The Company is current in its disclosure obligations pursuant to the following reporting standard:

SEC Reporting Obligations

- The Company has a reporting obligation under Section 13 or 15(d) of the Exchange Act
- The Company has a reporting obligation under Regulation A (Tier 2)
- The Company has a reporting obligation under Regulation Crowdfunding (CF)
- Other (please describe)

Other Reporting Obligations

- The Company is a U.S. bank, bank holding company, or similar financial institution exempt from SEC registration, has a reporting obligation to a U.S. Bank Regulator and follows OTC Markets' Bank Reporting requirements.
- The Company is exempt from SEC Registration and is reporting under the Alternative Reporting Standard

2. Indicate below whether the Company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

3. Indicate below whether the Company is subject to Bankruptcy or reorganization proceedings.

Yes: No:

4. The Company has a Verified Company Profile on OTCMarkets.com.
5. The Company is duly organized and in good standing under the laws of the state or jurisdiction in which the Company is organized or does business.
6. The Company understands and acknowledges its obligations to report company-related actions pursuant to Exchange Act Rule 10b-17 and FINRA Rule 6490.
7. The Company understands and acknowledges its obligations to publicly disclose material information in a timely manner in accordance with applicable U.S. federal securities laws, including but not limited to Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.
8. The Company's transfer agent and its address are listed below. If the Company acts as its own transfer agent, indicate that by listing the Company and its information in the fields provided.¹

Transfer Agent: Computershare Investor Services
Address: 150 Royall Street, Canton MA 02021

¹ OTCQX, OTCQB, and OTCID companies are required to retain a transfer agent that participates in the Transfer Agent Verified Shares Program. OTCID companies that act as their own transfer agent may submit data directly to OTC Markets.

9. The Company's most recent Annual Report was prepared by:

Below is a list all law firm(s) and attorney(s) (including internal counsel) that acted as the Company's primary legal counsel in preparing its most recent annual report or, if no attorney assisted in preparing the disclosure, the person(s) who prepared the disclosure and their relationship to the Company.

Securities Counsel:

Name: Olshan Frome Wolosky LLP
 Address: 1325 Avenue of the Americas
 New York, NY 10019
 Phone: (212)-451-2252
 Email: KSchlesinger@olshanlaw.com

Financial statements were prepared by:

Name: Vincent Sita
 Title: Chief Financial Officer

10. The Company's Officers, Directors and 5% Beneficial Owners are listed below:

The table below provides information regarding all officers and directors of the Company, or any person that performs a similar function, regardless of the number of shares they own. To the best of the Company's knowledge, it includes all individuals or entities beneficially owning 5% or more of any class of the issuer's equity securities. To identify holders of 5% or more, companies may obtain a recent copy of their shareholder list that includes Non-Objecting Beneficial Owners or "NOBOs." SEC Reporting companies may also research their beneficial ownership and insider transaction filings such as on Schedules 13G or 13D or on Forms 3, 4, and 5.

As of (latest practicable date): December 31, 2025

Individual Name or Entity Name ⁽¹⁾	Names of control person(s) for Entities	Position/Company Affiliation (e.g. Officer Title /Director/Owner of more than 5%)	City and State	Number of shares owned	Class of Shares Owned	Percentage of Class of Shares Owned ⁽²⁾
Martin Hale, Hale Fund Management, LLC Hale Capital Management, LP, Hale Capital Partners, LP, HCP-FVA, LLC ⁽³⁾	Martin Hale	Director and Control Person	New York, NY	3,653,377	Common	50.7%
Nantahala Capital Management, LLC ⁽⁴⁾	Wilmot B. Harkey and Daniel Mack	Control Person	Darien, CT	638,151	Common	8.9%
ESW Capital, LLC ⁽⁵⁾	Joseph A. Liemandt	Control Person	Austin, TX	1,308,068	Common	18.3%
Michael P. Kelly ⁽⁶⁾		Director	Scottsdale, AZ	21,066	Common	*
Barry Rudolph ⁽⁷⁾		Director	Estes Park, CO	21,011	Common	*
William Miller ⁽⁸⁾		Director	Colorado Springs, CO	12,504	Common	*

Todd Brooks ⁽⁹⁾		Director and Executive Officer	Punta Gorda, FL	87,146	Common	1.2%
Vincent Sita ⁽¹⁰⁾		Executive Officer	Mont Royal, Quebec, Canada	6,160	Common	*
Martin Hale, Hale Fund Management, LLC Hale Capital Management, LP, Hale Capital Partners, LP, HCP-FVA, LLC ⁽³⁾	Martin Hale	Director and Control Person	New York, NY	558,000	Preferred	62.0%
Nantahala Capital Management, LLC ⁽⁴⁾	Wilmot B. Harkey and Daniel Mack	Control Person	Darien, CT	99,807	Preferred	11.1%
ESW Capital, LLC ⁽⁵⁾	Joseph A. Liemandt	Control Person	Austin, TX	224,786	Preferred	25.0%
Michael P. Kelly ⁽⁶⁾		Director	Scottsdale, AZ	1,405	Preferred	*

* Less than 1% of the Company's outstanding common stock.

Any additional material details, including conversion terms of any class of the issuer's equity securities, are below:

- (1) A person is deemed to be the beneficial owner of voting securities over which the person has voting power or that can be acquired by such person within 60 days after December 31, 2025 upon the exercise of options or convertible securities, or upon the lapse or the removal of all restrictions on shares of restricted stock. Each beneficial owner's percentage ownership is determined by assuming that options or convertible securities that are held by such person (but not those held by any other person) and that are currently exercisable (i.e., that are exercisable within 60 days from December 31, 2025) have been exercised. Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all shares beneficially owned by them.
- (2) Based upon 7,153,472 shares of common stock outstanding as of December 31, 2025.
- (3) Based on information contained in Forms 4 and a report on Schedule 13D/A filed by Mr. Hale, Hale Fund Management, LLC ("Fund Management"), Hale Capital Management, LP ("Capital Management"), Hale Capital Partners, LP ("Hale Capital"), and HCP-FVA on May 22, 2019 and December 31, 2018. Consists of (i) 3,598,932 shares of common stock held by Hale Capital and HCP-FVA which includes 708 shares held by Mr. Hale for the benefit of Hale Capital, and (ii) 558,000 shares of Series A Preferred Stock held by HCP-FVA, which equates to 54,445 shares of common stock on an as-converted basis (without giving effect to the 9.99% blocker contained in the Certificate of Designations), held by HCP-FVA. Each of Mr. Hale, Fund Management, Capital Management and Hale Capital disclaims beneficial ownership of such shares of common stock except to the extent of his or its pecuniary interest.
- (4) Based on information contained in a report on Schedule 13G/A filed by Nantahala Capital Management, LLC ("Nantahala"), Wilmot B. Harkey and Daniel Mack on February 14, 2023. Consists of (i) 628,415 shares of common stock and (ii) 99,807 shares of Series A Preferred Stock that may be converted for 9,736 shares of common stock within 60 days of December 31, 2025. Messrs. Harkey and Mack are the managing members of Nantahala and disclaim beneficial ownership of such shares of common stock except to the extent of their pecuniary interest.
- (5) Based on information contained in a report on Schedule 13D/A filed by ESW Capital, LLC and Joseph A. Liemandt on December 31, 2018. Consists of (i) 1,286,135 shares of common stock and (ii) 224,786 shares of Series A Preferred Stock that may be converted for 21,933 shares of common stock within 60 days of December 31, 2025. ESW Capital, LLC and Mr. Liemandt disclaim Section 13(d) beneficial ownership with respect to 21,933 shares of common stock issuable upon conversion of Series A Preferred Stock as a result of the application of the 9.99% blocker contained in the Certificate of Designations. Mr. Liemandt is the sole voting member of ESW Capital, LLC and disclaims beneficial ownership of such shares of common stock except to the extent of his pecuniary interest.

- (6) Based on information contained in Forms 3 and 4 filed by Mr. Kelly and certain other information. Consists of (i) 20,929 shares of common stock and (ii) 1,405 shares of Series A Preferred Stock held by Mr. Kelly, which equates to 137 shares of common stock on an as-converted basis (without giving effect to the 9.99% blocker contained in the Certificate of Designations) held by Mr. Kelly.
- (7) Based on information contained in Forms 3, 4 and 5 filed by Mr. Rudolph and certain other information. Consists of 21,011 shares of common stock held by Mr. Rudolph.
- (8) Based on information contained in Forms 3, 4 and 5 filed by Mr. Miller and certain other information. Consists of 12,504 shares of common stock held by Mr. Miller which includes 26 shares of common stock held by PV Strategies LLC, a hedge fund managed by Miller Investment Management LLC, a registered investment adviser of which Mr. Miller is a principal. Mr. Miller, as the principal of Miller Investment Management LLC, may be deemed the beneficial owner of shares owned by PV Strategies LLC. Mr. Miller disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (9) Based on information contained in Forms 3, 4 and 5 filed by Mr. Brooks and certain other information. Consists of 87,146 shares of common stock.
- (10) Based on information contained in Forms 3 and 4 filed by Mr. Sita and certain other information. Consists of 6,160 shares of common stock.

11. The Company has Convertible Debt as detailed below:

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Signature:

Name of Principal Executive Officer or Principal Financial Officer: Vincent Sita

Title: Chief Financial Officer

Date: April 7, 2026

Signature: /s/ Vincent Sita

Vincent Sita
Chief Financial Officer