

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

FORM 10-K

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

For the fiscal year ended December 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: **001-40985**

**NextNav Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**87-0854654**

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

**11911 Freedom Dr. Ste. 200  
Reston, VA**

(Address of principal executive offices)

**20190**

(Zip Code)

Registrant's telephone number, including area code **(800) 775-0982**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	NN	The Nasdaq Capital Market
Warrants, each to purchase one share of Common Stock	NNAVW	The Nasdaq Capital Market

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input checked="" type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>		

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

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

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

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

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

As of June 28, 2024, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of common stock held by non-affiliates of the registrant was \$627,979,108 (based on the closing price of \$8.11 per share as reported on the Nasdaq Capital Market as of that date).

There were 131,451,767 shares of the registrant’s common stock outstanding as of March 7, 2025.

#### **Documents Incorporated by Reference**

Portions of the registrant’s Definitive Proxy Statement relating to the 2025 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the registrant’s fiscal year ended December 31, 2024, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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NEXTRAV INC.

Annual Report on Form 10-K for the Fiscal Year ended December 31, 2024

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Unless the context otherwise requires, all references in this Annual Report on Form 10-K to “NextNav,” the “Company,” “we,” “us,” and “our” include NextNav Inc. and its subsidiaries.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include, but are not limited to, statements regarding our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, and are not guarantees of future performance. The words “may,” “will,” “anticipate,” “believe,” “expect,” “continue,” “could,” “estimate,” “future,” “expect,” “intends,” “might,” “plan,” “possible,” “potential,” “aim,” “strive,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements in this Annual Report on Form 10-K include, among other things, statements about:

1. expectations related to the successful resolution of our petition before the Federal Communications Commission (“FCC”) to modify our Lower 900 MHz licenses;
2. expectations regarding our strategies and future financial performance, including our future business plans or objectives, expected functionality of our geolocation services, anticipated timing and level of deployment of our services, anticipated demand and acceptance of our services, prospective performance and commercial opportunities and competitors, the timing of obtaining regulatory approvals, ability to finance our research and development activities, commercial partnership acquisition and retention, products and services, pricing, marketing plans, operating expenses, market trends, revenue, liquidity, cash flows and uses of cash, capital expenditures, and our ability to invest in growth initiatives;
3. our ability to recognize the anticipated benefits of the Asset Purchase Agreement (as defined in Note 3 in the notes to the consolidated financial statements below), and any subsequent asset purchases, mergers, acquisitions, or other similar transactions, which may be affected by, among other things, competition, and the ability of the combined business to grow and manage growth profitably;
4. factors relating to our future operations, projected capital resources and financial position, estimated revenue and losses, projected costs and capital expenditures, prospects and plans, including the potential increase in customers, the expansion of our services in Japan through MetCom, and expectations about other international markets;
5. projections of market growth and size, including the level of market acceptance for our services;
6. our ability to adequately protect key intellectual property rights or proprietary technology;
7. our ability to evolve our technology to be compatible with 5G NR, and realize the technical benefits of such proposed evolution;
8. our ability to maintain our Location and Monitoring Service (“LMS”) licenses and obtain additional LMS licenses as necessary;
9. our ability to maintain adequate operational financial resources or raise additional capital or generate sufficient cash flows, including the adequacy of our financial resources to meet our operational and working capital requirements for the 12-month period following the issuance of this report;
10. our ability to develop and maintain effective internal controls;
11. our success in recruiting and/or retaining officers, key employees or directors;
12. expansion plans and opportunities;
13. costs related to being a public company;
14. our ability to maintain the listing of our securities on Nasdaq; and
15. the outcome of any known and unknown litigation and regulatory proceedings.

We have included important factors in the cautionary statements included in this Annual Report on Form 10-K, particularly in “Item 1A. Risk Factors,” that could cause actual results or events to differ materially from the forward-looking statements that we make. You should read this Annual Report on Form 10-K and the documents that we have filed as exhibits to this Annual Report on Form 10-K completely and with the understanding that our actual future results may be materially different from what we expect. These forward-looking statements are based on information available as of the date of this Annual Report on Form 10-K, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## Risk Factors Summary

*The following summarizes the principal factors that make an investment in us speculative or risky, all of which are more fully described in “Item 1A. Risk Factors” below. This summary should be read in conjunction with “Item 1A. Risk Factors” and should not be relied upon as an exhaustive summary of the material risks facing our business.*

### Risks Related to the Business and the Industry

- We have incurred significant losses since inception. We expect to incur losses in the future, may not be able to achieve or maintain profitability, and may need to raise additional capital to maintain our operations in the future.
- The developing nature of our technology and product services makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.
- The Indenture governing our senior secured notes contains restrictions and other provisions regarding events of default that may make it more difficult to execute our strategy or to effectively compete, or that could materially and adversely affect our financial position.
- Our ability to sell Pinnacle z-axis service may be limited and depends on third-party adoption and market demand.
- The majority of our business plan depends on selling services that must be licensed and integrated into our customers’ platforms for sales to end users, and we typically only generate revenue from the arrangements when end users access those third-party platforms and utilize our services.
- Depending on whether the FCC grants approval of our petition, we may not be successful in the evolution of our operations to utilize 5G NR signals, which will increase our costs and may increase the challenge of adopting our services, and the time it takes us to evolve our service may differ from our estimates.
- We face intense competition in our market, especially from competitors that offer their location services for free, which could make it difficult for us to acquire and retain customers and end users.
- We face competition from multiple sources.
- We rely, in part, on AT&T for distribution of our services to FirstNet® customers.
- Our services may not continue to be adopted or retained by wireless carriers and device vendors for E911.
- Our Pinnacle service in smartphones relies on the availability of barometric pressure measurements and 2D location being made available to us or our customers.
- Distribution and marketing of, and access to, our services in smartphones are contingent on our distribution partners’ and customers’ access to a variety of third-party platforms, in particular, mobile application stores. If these third parties limit, prohibit, or otherwise interfere with or change their policies in any material way, it could adversely affect our business, financial condition, and results of operations.
- We rely on a limited number of key vendors, including Amazon Web Services, for timely supply of components or services for our service offerings. If these vendors experience problems, we could fail to obtain the equipment and services, which could adversely affect our business, results of operations and financial condition.
- Our services are available within defined network footprints, and if we are not able to deploy new infrastructure, we will not be able to expand our service area.
- There is no guarantee that Federal and state government resilient PNT programs or our current commercial opportunities will result in procurements or in the adoption of our services or revenue to us, and the process that may result in such adoption or revenue may be delayed.
- Our business depends on the use of location by a wide range of applications, including public safety and E911 applications, and which may include mobile marketing applications in the future. Privacy concerns relating to location data, generally, and our technology could damage our reputation and deter current and potential users from using our products and applications.
- Natural or man-made disasters or terrorist attacks could have an adverse effect on our business.
- Significant disruptions of our information technology systems or data security incidents, or the perceived failure to adequately protect personal information or other confidential or proprietary data, could trigger contractual and legal obligations, harm our reputation, subject us to liability, cause us to modify our business practices and otherwise adversely affect our business, financial condition and results of operations.
- We may become subject to litigation arising out of any security breaches, which may adversely affect our business.
- We maintain insurance policies to cover certain losses relating to our information technology systems, but there is no certainty that our policy limits will be sufficient to cover all liabilities that we may face as the result of security incident and there is no assurance that we will be able to maintain our current policies or secure new policies in the future.
- We depend on the availability of personnel with the requisite level of technical expertise in the telecommunications industry. We depend on key members of our senior management team; our performance could be adversely impacted if they depart and we cannot find suitable replacements.
- Our results could be adversely impacted as a result of increased inflation and supply chain pressure impacting our or our vendors’ expenses and availability of resources and components.
- The failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to our intellectual property rights could adversely affect us.
- Global economic conditions may directly or indirectly increase our risks from supply chain, cybersecurity, foreign currency fluctuations, or other factors.
- Strategic transactions, including mergers, acquisitions and divestitures, involve significant risks and uncertainties that could adversely affect our business, financial condition, results of operations, cash flows and equity.

## **Risks Related to Legal and Regulatory Matters**

- Our business depends on access to radio spectrum to provide certain of our location services and access to such spectrum is not a certainty.
- If we are able to convert our signal transmissions to a 5G NR platform, the FCC may not permit us to realize all of the benefits of our 5G NR architecture, including the additional transmission of high-throughput non-PNT-related voice and data alongside our PNT data.
- Our FCC licenses authorize the use of radio frequencies that are shared with other radio services, which could result in harmful interference and impairment to our use of our licensed spectrum.
- Our LMS licenses are subject to renewal by the FCC and no certainty exists that we will be able to secure ongoing renewals of our licenses.
- Our retention and use of our LMS licenses has been the subject of ongoing objections by third parties that could result in the revocation or non-renewal of our LMS licenses.
- Many of our LMS licenses are subject to end-of-term build-out requirements maintained by the FCC and no certainty exists that we will be able to comply with the build out requirements for all of our licenses.
- A portion of our business plan targets government customers, which subjects us to risks, including early termination, audits, investigations, sanctions and penalties.
- We and our service providers collect, process, transmit, and store personal information, which creates legal obligations and may give rise to additional costs and liability. Failure to comply with federal, state and foreign laws and regulations relating to privacy and data protection could adversely affect our business and its financial condition.
- Our business is subject to a wide variety of additional extensive and evolving government laws and regulations. Failure to comply with such laws and regulations could have a material adverse effect on our business.
- We are subject to stringent U.S. export control and economic sanctions laws and regulations. Unfavorable changes in these laws and regulations or U.S. government licensing policies, our failure to secure timely U.S. government authorizations under these laws and regulations, or our failure to comply with these laws and regulations could have a material adverse effect on our business, financial condition and results of operations.
- We are exposed to risks related to geopolitical and economic factors, laws and regulations and our international business subjects us to numerous political and economic factors, legal requirements, cross-cultural considerations and other risks associated with doing business globally.

## **Risks Related to our Common Stock**

- If we issue and sell additional shares of our common stock in the future, our existing stockholders will be diluted and our stock price could fall.
- Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.
- We have never paid dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future.

## PART I

### Item 1. Business.

#### Overview

We are the market leader in delivering resilient, next generation, complementary positioning, navigation and timing (“PNT”) solutions designed to overcome the limitations and vulnerabilities of the existing space-based Global Positioning System (“GPS”) and Global Navigation Satellite Systems (“GNSS”). We are evolving our complementary PNT solutions to use 5G New Radio (“5G NR”) technologies (“NextGen”), in conjunction with our Petition for Rulemaking filed with the FCC, to update and reconfigure the Lower 900MHz band and our spectrum licenses. We expect the evolution of our platform to NextGen will significantly improve the efficiency, flexibility, and scale of our operations, technically enabling the delivery of high-quality PNT based on a 5G broadband network. Our NextGen solution is being designed to allow one or more partners to integrate our Lower 900 MHz spectrum into their 5G networks. We expect that this will result in wide-scale availability of both complementary PNT services and additional broadband capacity.

Our complementary PNT solutions are built on a deep asset base, including valuable FCC licenses. Our licenses include a contiguous 8 MHz block of 900 MHz M-LMS spectrum covering over 90% of the U.S. population, and on March 7, 2024, we signed an agreement, subject to appropriate regulatory approvals, to acquire an additional 4 MHz of M-LMS licenses covering part of the U.S. population. On April 16, 2024, we petitioned the FCC to commence a rule making to reconfigure and update the rules governing the Lower 900 MHz band plan to allow us to utilize a 15 MHz nationwide configuration for both PNT and 5G broadband (“Petition”). The Petition is subject to an ongoing FCC regulatory review process. We believe that modernizing the Lower 900 MHz band will simultaneously enable a high-quality terrestrial PNT network to complement and back up GPS, address a critical national security vulnerability, and add 5G broadband capacity. We have been granted more than 145 patents related to our systems and services, and standardized certain of our technologies with the 3rd Generation Partnership Project (3GPP), a global telecommunications standards-setting body.

The impact of GPS on the U.S. economy was nearly \$1.4 trillion in the aggregate between 1984 and 2017, according to data from a National Institute of Standards and Technology (“NIST”)-sponsored study conducted by RTI International (“RTI”), and the European Commission estimated the annual impact on the economy of the European Union in its 2018 budget process as EUR1.2 trillion. The usage of GPS services is also rapidly expanding, with its presence in devices in the U.S. increasing from 600 million devices to 900 million devices between 2015 and 2019, according to information presented to the National Space-Based PNT Advisory Board by the National Coordination Office for Space-Based PNT. PNT resiliency is a priority of the U.S. Federal Government and is rising in priority in the European Union, non-European Union countries in Eastern Europe and in other parts of the world due to both the demonstrated vulnerability and lack of local control of space-based signals and systems. Critical infrastructure, including communications networks and power grids, require a reliable GPS signal for accurate timing. A failure of GPS could be catastrophic, and there is no comprehensive, terrestrial backup that is widely deployed today. The Department of Homeland Security has also classified the PNT vulnerabilities from GPS as cyber security threats, and the U.S. Department of Transportation (“DoT”) has also outlined a Complementary PNT Action Plan, among other key federal initiatives. Higher performance and availability will continue to expand the reach and value of PNT solutions, while terrestrial resilience is essential to protect the vast economic activity that is reliant on GPS.

Simultaneously, demand for wireless data services continues to grow. The backbone of wireless data services, electromagnetic spectrum, is a finite resource. Our spectrum licenses, which lie in the Lower 900 MHz band, are referred to as “low-band spectrum.” There is a finite amount of low-band spectrum available, and low-band spectrum has favorable coverage characteristics compared to higher frequencies, including the ability to provide services indoors and over greater distances. These characteristics result in its ability to be used for coverage and to be deployed more economically, with higher-frequency spectrum often used to provide additional capacity in targeted locations. The transition to 5G NR for our PNT services will provide a technical capability to support broadband data services, which, subject to appropriate regulatory approvals, may allow the spectrum to be utilized to help meet the continued, growing demand for wireless data capacity.

As we evolve our technology platform to NextGen and pursue regulatory changes to the Lower 900 MHz band and our spectrum licenses, we continue to deliver high-quality PNT services through our Pinnacle and TerraPoiNT solutions. Our Pinnacle solution, launched in partnership with AT&T Services, Inc. (“AT&T”) as part of its FirstNet<sup>®</sup> initiative, can provide accurate altitude service to any device with a barometric pressure sensor and covers over 90% of commercial structures over three stories in the U.S. Our Pinnacle system is primarily used for public safety applications, including enhanced 911 (“E911”) for Verizon Communications, Inc. (“Verizon”), and a growing number of devices operating on the remaining national cellular network providers.

Our TerraPoiNT system is a terrestrially based dedicated, complementary PNT network designed to overcome the limitations inherent in the space-based nature of GPS. GPS is a faint, unencrypted signal, which is often unavailable indoors, distorted in urban areas, and vulnerable to both jamming and spoofing. TerraPoiNT overcomes these limitations through a network of wide-area location transmitters that broadcast a PNT signal on our licensed Lower 900 MHz M-LMS spectrum. Unlike GPS, the TerraPoiNT signal can be reliably received indoors and in urban areas, is difficult to jam or spoof compared to GPS, and can support signal authentication (e.g., encryption). Further, the TerraPoiNT signal can embed Pinnacle information to provide a full three-dimensional PNT solution. TerraPoiNT received the highest scores in testing by the DoT reported in 2021 regarding potential PNT backup solutions, in each category tested, and was the only solution evaluated capable of providing the full set of services provided by GPS. Continuing our engagement with the DoT, in 2024 we were awarded a contract to establish performance characteristics for TerraPoiNT to allow DoT to incorporate our solutions into a clearinghouse of solutions defined in the DoT Complementary PNT Action Plan, for potential use by Federal government customers.

## Our Strategy

Domestically, we operate primarily as a service provider, leveraging our intellectual property, spectrum assets, and partnerships with key customers. Our target customers include wireless carriers, applications developers, and adjacent businesses selling PNT products and systems to end users, and Federal, state, and local governmental entities. Subject to regulatory approvals and the successful evolution of our technology to align with 5G NR standards, our NextGen platform and spectrum can be used to offer both high-quality PNT and high-bandwidth data capabilities. We deploy sensor and network capabilities, either directly or with our customers and partners, and license access to our technologies and the data generated by our networks to our customers. Internationally, we provide equipment, software, and services to our customers to enable them to partner in the operation of our systems in their home markets. The key elements of our strategy include:

- *Continue to build on our leadership in complementary PNT.* We anticipate that the expanded availability of our systems, especially NextGen, will provide enhanced value to existing customers and open new vertical markets. In addition to our relationship with FirstNet®, built with AT&T, and our public safety offerings, we are continuing to grow our E911 service, including with Verizon, and have licensed our technology to devices operating on the remaining nationwide wireless carriers. In July 2024, we were awarded a contract by the DoT to establish performance characteristics for TerraPoiNT to enable the DoT to incorporate our solutions into a future DoT PNT clearinghouse, which will facilitate purchase of complementary PNT by U.S. Federal agencies. We plan to continue to work closely with the DoT and other agencies, as well as the U.S. Congress, to drive our PNT solutions to become a critical component of national complement and backup capabilities for GPS.
- *Evolve our system to be fully aligned with 5G NR standards.* Evolving the technical foundation of our system to 5G NR will allow us to provide high-quality PNT services in conjunction with 5G broadband services. We anticipate that this may allow us to significantly increase the scope of potential customers and partners, reduce our time to market, improve the geographic coverage of our business, and align our operations with the mainstream global cellular ecosystem. Collectively, we anticipate these benefits will increase the potential reach of our services. We expect to operate our NextGen PNT services in partnership with one or more broadband partners.
- Pursue the completion of our petition before the FCC to modernize rules governing the Lower 900 MHz band. It is a priority of the Company to secure appropriate regulatory approvals to maximize the use of our spectrum and enable the delivery of a widescale complementary PNT solution over a 5G NR broadband deployment. We are engaged with the FCC, stakeholders in the Lower 900 MHz band, and other stakeholders in the industry in seeking to ensure the availability of wide-scale complementary PNT services.

## Industry Background

PNT services are used in nearly every facet of our economy. Cellular and electrical distribution systems depend on GPS-based timing, the mobile app economy relies on location to create innovative services and to drive data and advertising revenue, and public safety and E911 saves lives every day with the use of location services.



GPS has powered the global economy for nearly 40 years. Without high-precision timing from GPS, cellular systems would quickly fail and the distribution of electricity would be impacted, while GPS-based location facilitates everything from aviation and wireless 911 location to the mobile app economy. Based on research performed for NIST by RTI in 2019, for example, GPS alone is calculated to have provided nearly \$1.4 trillion to the U.S. economy in the aggregate between 1984 and 2017, with nearly a quarter of that value, exceeding \$300 billion, delivered in the last year of their analysis. In 2018, the European Union estimated the economic contribution of “GNSS” to their economies to be EUR1.2 trillion. Driving that growth has been the significant adoption of GPS in devices of all kinds, growing from 600 million devices in 2015 in the U.S. to 900 million devices in 2019, according to information presented to the National Space-Based PNT Advisory Board by the National Coordination Office for Space-Based PNT. GPS and GNSS services, however, have inherent, demonstrated vulnerabilities that put these and other space-based services at risk.

In October 2024, we commissioned The Brattle Group (“Brattle”), an economic consulting firm, to calculate the economic value of a terrestrial PNT backup and complement to GPS. In its 2024 report, Brattle focused on two broad groups of benefits: (i) the value to specific segments of the economy; and (ii) the value to the military. Brattle estimated that a one-day global GPS outage could cost the American economy \$1.6 billion, and NextNav’s terrestrial PNT proposal could prevent a loss of \$663 million to the American economy. For a 30-day outage, the loss could be as large as \$58.2 billion, and the NextNav proposal could prevent \$31.9 billion of that loss. Given the probability of outage events, Brattle estimated the value to the American economy of the proposed terrestrial PNT approach to be \$10.8 billion. Brattle found that the value of added resilience to the military is \$3.8 billion, based on the military’s willingness to pay for GPS resilience and anti-jamming capabilities. According to Brattle, the total quantified value of a GPS backup is \$14.6 billion.

Meanwhile, 5G NR technologies are also driving enhanced network performance, capacity, and efficiency across multiple industry verticals. 5G NR enables low-latency, high-throughput connectivity. The technology also improves spectral efficiency, which allows operators to increase returns on investment in licensed spectrum, and, in NextNav’s case, to improve both the density and availability of PNT signals. The technology can also support many different applications, including ultra-reliable low-latency communications (URLLC), enhanced mobile broadband (eMBB), and massive machine-type communications (mMTC). These capabilities permit 5G NR to support high-performance broadband services as well as emerging use cases in autonomous systems, industrial automation, and the Internet of Things (IoT).

## **Our Solutions**

Our location systems have been engineered to provide comprehensive solutions to the limitations and vulnerabilities inherent in GPS and other satellite-based services. Key GPS limitations include:

- Low signal strength resulting in poor building/indoor penetration, limitations in urban areas;
- Vulnerability to jamming;
- Poor vertical accuracy in most devices, which impacts any service where altitude is relevant (e.g., multi-level structures, vertical separation in low-altitude aviation);
- The primary consumer GPS signal is unencrypted, resulting in poor location security and spoofing;
- Inherent physical vulnerability due to few, isolated transmitters; and
- Single point of failure for a wide range of PNT services.

Our service platforms include Pinnacle, our altitude (z-axis) solution, TerraPoiNT, which is similar to a terrestrial GPS constellation, and we are developing NextGen, which is being designed to bring complementary, high-quality PNT capabilities to a standards-based 5G NR broadband platform. We expect our NextGen solution to offer wide-scale service, be inherently secure and provide broad service access to appropriately-equipped devices that use location services, including consumer devices such as smartphones.

### *NextGen*

We are evolving our operations to NextGen, which utilizes 5G NR technology. Once fully realized, we expect 5G NR-based NextGen services to result in wide-scale geographic deployment and broad 5G device compatibility. PNT systems are the core services provided by GPS, and NextGen can be thought of as a shared, land-based GPS satellite constellation, operating simultaneously with 5G broadband data services. We expect that NextGen services will be naturally resilient to service disruption and significantly more resistant to jamming than GPS. If GPS is disrupted or destroyed, a NextGen transmitter is designed to continue to operate and provide similar service within the NextGen service area. If one NextGen transmitter is disrupted, service is designed to continue from other nearby transmitters. Thus, there is the potential for both local- and wide-area resilience embedded in the basic system design. Our NextGen services are expected to leverage proven cellular infrastructure, which has been designed to provide wide-scale coverage, and will be able to complement GPS by extending PNT availability to urban canyons and indoor locations where GPS reception is challenging.

We anticipate NextGen will increase our spectrum utilization significantly, allowing us to offer both high-quality PNT services and broadband data using the same spectrum. This increased data transmission capacity could be used, subject to FCC approval, to provide other types of 5G NR-based two-way voice and data transmission services while simultaneously improving our PNT capabilities. Our plans to deploy NextGen with one or more broadband data partners could result in minimal capital expenditures by us related to the operation of our high-quality PNT services, while our wireless broadband partners could benefit from the proven economics of additional broadband capacity.

#### *TerraPoiNT*

TerraPoiNT is our prior-generation 3D PNT system, which was standardized in the global telecommunications standards group, 3GPP, Release 13 as Metropolitan Beacon System (“MBS”). TerraPoiNT was designed to maximize compatibility with GPS and other GNSS receivers. We have licensed elements of our receiver technology to third-party chipset providers and device vendors, typically with no per device royalty, to enable the reception of our signal on their devices.

TerraPoiNT can be thought of as a dedicated, land-based GPS satellite constellation. TerraPoiNT service is made available through a highly distributed terrestrial network of transmitters and is naturally resilient to service disruption and significantly more resistant to jamming than GPS. If GPS is disrupted or destroyed, a TerraPoiNT transmitter continues to operate and provide similar service within the TerraPoiNT service area. If one TerraPoiNT transmitter is disrupted, service continues from other nearby transmitters. Thus, there is both local and national resilience embedded in the basic system design.

#### *Pinnacle*

Pinnacle provides devices equipped with a barometric pressure sensor and software connected to our systems with high quality wide-area altitude service. This service is currently available in the top 105 major U.S. markets, which include more than 4,400 cities and more than 90% of commercial buildings that exceed three stories. In November 2022, Pinnacle service was launched by MetCom in Japan. The technologies underlying Pinnacle are integrated into our TerraPoiNT services and are planned to be incorporated into NextGen.

Because our Pinnacle technology relies on measurements available with the hardware currently used in most mobile phones and tablets, it can be made available for mass market applications, as well as enterprise, public safety, and other applications. Our Pinnacle service is delivered to customers over an applications programming interface (“API”) or via a software development kit (“SDK”) integrated into the relevant applications.

### **Privacy and Data Security**

We understand that protection of data and privacy is critically important to the end-users of our services. Our core privacy principles are:

- *Transparency:* We are transparent about our data practices, and we comply with our privacy policies and agreements so customers and business partners can make informed decisions.
- *Control:* We have implemented appropriate means for our customers and business partners to control relevant personal and business information.
- *Security:* We endeavor to protect the data entrusted to us by using strong security protocols. NextNav maintains a cybersecurity team, responsible for threat monitoring, protection of internal and customer-facing systems and third-party compliance testing of NextNav’s cyber security controls.
- *Compliance:* We respect and comply with local privacy laws, ensuring that privacy-by-design is a core consideration as we develop our products and services.
- *Consent:* We require appropriate opt-in consent for the provision of all of our services, consistent with the requirements of local law.

Based on industry best-practices, we have implemented multilayered administrative, physical, and technical security measures to protect data. Data access is implemented with the rule of “least privilege,” and we isolate data by service, business function and customer agreement. Our data is encrypted both at rest (locally on the device and on the server) and in transit.

## Network Operations

Our Pinnacle network is primarily operated in partnership with AT&T. The Pinnacle altitude stations are co-located at AT&T wireless sites and take advantage of the power systems, including battery backup and generators, at the AT&T sites. We monitor the Pinnacle network health through our network operations center (“NOC”) and work with AT&T to resolve any issues that may arise. Connectivity among the Pinnacle altitude stations, our cloud service platform, and our NOC are enabled through wireless connections, currently provided by AT&T.

We are not required to use AT&T wireless sites for network expansion and may establish new service areas through independently acquired site leases or with other partners.

Our TerraPoiNT network is deployed, operated, and maintained by us. The equipment is installed at traditional wireless sites with a mix of towers and rooftops. We monitor the network health through the same NOC as the Pinnacle network and directly dispatch our employees or maintenance contractors if needed.

We anticipate operating our NextGen services in partnership with one or more broadband data providers. We anticipate that the radio network infrastructure will be deployed, and the broadband services operated, by such broadband data providers. We plan to utilize these facilities to operate our PNT services, the signal for which will be embedded in the 5G NR broadband transmission.

## AT&T Relationship

We have entered into a series of agreements with AT&T to provide our Pinnacle services to FirstNet®, built with AT&T, and to enable the co-location of elements of our network at AT&T’s wireless sites. By co-locating the Pinnacle equipment at AT&T wireless sites, we were able to accelerate the nationwide deployment of our services and significantly reduce the ongoing operating costs associated with the Pinnacle system.

Our AT&T agreements provide for: (i) AT&T’s marketing and resale of Pinnacle services to FirstNet® subscribers and certain pricing requirements for our SDKs based on the quantity of usage, revenue sharing, compliance with data rights and privacy, and support requirements; and (ii) AT&T hosting of Pinnacle equipment for altitude determination at AT&T sites, at no recurring cost to us.

We have provided AT&T with performance assurances and certain intellectual property and transition support rights in the event we are unable to continue providing services to AT&T, have significant service outages, or engage in transactions with certain persons. The parties also entered into escrow arrangements on customary terms for intellectual property storage and verification of the deposited escrow materials in various different escrow “lockers,” which could be accessed by AT&T based on different conditions on which the draw down could be made.

In 2019, we entered into an equipment hosting agreement with AT&T that has a seven-year term (subject to earlier termination after three years in certain circumstances), expiring in October 2026. Under the terms of the equipment hosting agreement, AT&T is providing all site-related services during AT&T’s continued use of the service. Our services agreement with AT&T for distribution of our services to FirstNet® customers expires in October 2025.

## Competition and Competitive Advantages

GPS and GNSS services are broadly used across a large number of both industries and specific use cases, however, multiple technologies provide, or are planned to provide, services to complement and backup GPS. Depending upon the specific use case, we both compete with and complement other geolocation services, as part of the “system of systems” required to provide a comprehensive solution to this market. Key technologies participating in this segment include enhanced long-range navigation (“eLORAN”), low Earth orbit (“LEO”) satellite systems, and various short-range commercial systems.

- *eLORAN* is an advanced version of the World War II-era hyperbolic radio navigation system that was developed in response to the perceived vulnerability of the GNSS systems. eLORAN has historically been targeted towards maritime and aviation applications. If deployed, eLORAN may also be well-suited to long-range time distribution.
- *LEO Satellite Systems* offer primarily timing service based on signals transmitted from LEO satellite constellations. LEO systems potentially offer global coverage. However, for use cases requiring terrestrial signal strength, their signals are not as strong as those from terrestrial-based systems. LEO systems are subject to similar physical vulnerabilities as GPS.
- *Commercial Location Systems*, including legacy cellular systems, crowd-sourced systems and locally managed systems, are complements to GPS but generally rely on GPS or highly local surveys for their core performance. Most commercial location systems do not provide an independent timing source, so are limited in their ability to be a viable backup to GPS.

Other technologies to deliver PNT independently of GPS are under development or in the early stages of testbed deployment. These include the National Association of Broadcasters' Broadcast Positioning Service ("BPS"). BPS seeks to supply PNT signals broadcast from terrestrial television towers using ATSC 3.0, an international standard from the Advanced Television Systems Committee. However, it has been demonstrated that BPS has accuracy limitations relative to GPS. BPS also depends on ATSC 3.0, which is not universally adopted by broadcasters, and has an uncertain adoption pipeline among consumer electronics manufacturers and industry stakeholders.

Subject to appropriate regulatory approvals, we believe that our NextGen solution offers the most economically viable wide-scale, terrestrial complement and backup to GPS that can be adopted in consumer devices such as smartphones. Because our NextGen solution leverages 5G broadband, we anticipate the capital expenditures associated with the network deployment will be associated with our future 5G partnerships, and we do not plan to seek Federal appropriations for the deployment of our NextGen system. While no single solution can complement and backup all GPS use cases, we believe that we offer an important component to securing the nation's PNT infrastructure.

## **Intellectual Property**

Our ability to drive innovation in PNT services depends in part upon our ability to protect our core technologies and intellectual property. We rely upon a combination of patent, trademark, and trade secret laws in the United States and abroad, as well as license agreements and other contractual protections. In addition, we seek to protect our intellectual property rights through nondisclosure and invention assignment agreements with our employees and consultants and through non-disclosure agreements with business partners and other third parties.

We regularly file applications for patents and have a significant number of patents in the United States and other countries where we do business.

As of December 31, 2024, we had approximately 149 issued patents domestically and internationally, which includes approximately 129 issued patents in the U.S. In addition, we had approximately 82 pending patent applications, which includes approximately 43 pending patent applications in the U.S.

## **Sales and Marketing**

We sell our solutions directly to customers or through partners. For example, we maintain an equity interest in our partner in Japan, MetCom, to operate our high-quality PNT systems for commercial services. Additionally, we expect existing customers to expand their contracts with us for the deployment of additional services. New service offerings and product features will be introduced over time to increase market share and grow the total addressable market for our services.

Our marketing strategies are focused on supporting sales growth by (i) driving awareness; (ii) developing comprehensive sales and marketing content; and (iii) scaling our efforts with our partners and customers. We drive awareness for our solutions and our customers' successes through communications efforts and participation to leading industry standards.

## **Research and Development**

We have significant in-house capabilities in the engineering and development of location-based technology. The services that we provide are largely based on designs and technologies developed by us for our use, some of which we subsequently standardized. We invest significant resources into research and development programs because we believe our ability to maintain and extend our market share depends, in part, on our continuous innovations. These innovations offer a unique value proposition for our customers and differentiate us from our competitors. Our research and development team consists of more than 65 employees, who are responsible for the development of our high-quality PNT solutions. Our research and development team consists of talented engineers, scientists, and professionals who have been pioneers in location-based services. Our primary areas of focus in research and development include, but are not limited to:

- Radiolocation position and navigation technologies;
- Precision timing and time distribution;
- 4G/5G positioning and timing systems;
- 5G RAN and core architecture;
- E911 service delivery;
- Altitude determination, including barometric altitude determination; and
- Location verification techniques, including techniques to mitigate spoofing.

## **Human Capital**

We pride ourselves on the quality of our world-class team and seek to hire employees dedicated to our strategic mission. Our employees typically have significant experience working with location systems. As of December 31, 2024, we employed 96 full-time employees, the majority in our headquarters in Reston, Virginia and in our facility in Santa Clara, California. Over 65 of our employees are engaged in research and development and related functions, and more than half of these employees hold advanced engineering and scientific degrees, including many from the world's top universities.

To date, we have not experienced any work stoppages and consider our relationship with our employees to be good. None of our employees are either represented by a labor union or subject to a collective bargaining agreement.

## **Facilities**

We maintain a distributed workforce with facilities in Reston, Virginia, Santa Clara, California, Puteaux, France, Noida, India and Bangalore, India. Our principle executive office is in Reston, Virginia. Our corporate offices in Virginia include executive, finance, and regulatory functions, while our California facility hosts our operations and technology development, among other functions. Our French and Indian locations are focused on software development and research and development functions. We may add additional facilities in other locations in the future.

## **Regulatory**

There are government regulations pertaining to our operation, use, and export of our vertical location and PNT solutions, some of which are currently applicable to us and others that will become applicable to us as we expand our operations. As we expand service to additional countries and regions, we will become subject to additional governmental approvals and regulations.

### *Radio Spectrum*

Certain of our services rely on the use of radio communications spectrum, which is regulated in the United States and in most other countries. In the United States, spectrum access is licensed and regulated by the FCC. We hold radio licenses issued by the FCC that authorize the use of 8 MHz of contiguous spectrum in the 900 MHz band covering more than 90% of the population in the United States, and on March 7, 2024, we announced an agreement, subject to appropriate regulatory approvals, to acquire an additional 4 MHz of M-LMS licenses in parts of the United States. These licenses and the FCC rules impose obligations on us regarding the use of this spectrum, including power and operational limits, coexistence, build-out, and usage requirements, and a license renewal obligation. We must comply with these requirements to retain access and use of these spectrum resources.

On April 16, 2024, we filed a Petition for Rulemaking with the FCC, seeking to significantly accelerate and expand the availability of our PNT services as a complement and backup to GPS through a modernization of the Lower 900 MHz band, and the configuration and operating rules governing our licenses. The Petition is subject to an ongoing FCC regulatory review process.

### *Privacy*

In developing highly accurate location information, we collect, process, transmit and store personal information, such as certain individual geolocation information, and other personal information relating to its business contacts, personnel, end users, and website visitors. A variety of federal and state laws and regulations govern the collection, use, retention, sharing and security of this information. The U.S. privacy and data protection legal landscape continues to evolve, with California and Virginia having enacted broad-based data privacy and protection legislation and with states and the federal government continuing to consider additional data privacy and protection legislation. As we expand overseas, our joint venture partners will be subject to foreign data privacy and protection legislation, and we may be as well.

## *Export*

Our business plans are based in part on the distribution of its services worldwide. We are required to comply with U.S. export control laws and regulations, including the Export Administration Regulations (“EAR”) administered by the U.S. Department of Commerce’s Bureau of Industry and Security and the foreign asset control regulations administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control. Pursuant to these foreign trade control laws and regulations, we are required, among other things, to (i) determine the proper licensing jurisdiction and export classification of products, software, and technology, (ii) obtain licenses or other forms of U.S. government authorization, or qualify for exceptions, to export our products, software, and technology outside the United States, and (iii) avoid engaging in unauthorized transactions with certain sanctioned countries, territories, entities, and individuals. Violations of applicable export control and sanctions laws and related regulations, which are enforced on a strict liability basis, could result in criminal and administrative penalties, including fines and possible denial of export privileges. U.S. export licenses or license exceptions are required to transfer or make accessible certain of our software source code and technology to our non-U.S. employees. In addition, U.S. export control laws and related licensing policies continue to change, further regulating the export and re-export of our products, services, and technology from the United States and abroad, and increasing our costs and the time necessary to obtain required authorization.

See the section entitled “*Risk Factors — Risks Related to Legal and Regulatory Matters*” for additional information regarding the regulatory requirements applicable to us.

## **Business Combination**

On October 28, 2021 (the “Closing Date”), we consummated a business combination pursuant to the terms of the Agreement and Plan of Merger, dated as of June 9, 2021, by and among us, Spartacus Acquisition Corp., a Delaware special purpose acquisition company (“Spartacus”), NextNav Holdings, LLC, a Delaware limited liability company (“Holdings”) and the other parties thereto (the “Business Combination”). As a result of the Business Combination, certain blocker entities formed by Holdings equity holders, Holdings and the various operating subsidiaries of Holdings became our wholly owned subsidiaries, with the equity holders of each of such blocker entities and Holdings and Spartacus’ stockholders becoming our stockholders. In connection with the Business Combination, we changed our name to NextNav Inc. and the Nasdaq ticker symbols for our common stock and warrants to “NN” and “NNAVW,” respectively.

## **Corporate Information and Access to SEC Reports**

We were incorporated under the laws of the State of Delaware in May 2021 under the name “Spartacus Acquisition Shelf Corp.” by Spartacus Acquisition Corp., a Delaware special purpose acquisition company, for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combinations with one or more businesses or assets. On October 28, 2021, in connection with the closing of the Business Combination, we changed our name to “NextNav Inc.”

Our principal executive office is located at 11911 Freedom Dr., Ste. 200, Reston, VA 20190. Our telephone number is (800) 775-0982, and our website address is [www.nextnav.com](http://www.nextnav.com). Information contained on, or accessible through, our website is provided for textual reference only and does not constitute part of, and is not incorporated by reference into, this Annual Report on Form 10-K.

Our operating subsidiary, NextNav, LLC (a wholly owned subsidiary of Holdings), was formed in October 2007 under the laws of the State of Delaware. In connection with the Business Combination, the various operating subsidiaries of Holdings became our wholly owned subsidiaries.

We make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, available free of charge in the “Investors” section of our website as soon as reasonably practicable after we file these reports with the SEC. We routinely post these reports, recent news and announcements, financial results and other important information about our business on our website at [www.nextnav.com](http://www.nextnav.com). Information contained on our website does not constitute part of, and is not incorporated by reference into, this Annual Report on Form 10-K.

In addition, the United States Securities and Exchange Commission (“SEC”) maintains an Internet website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

## Item 1A. Risk Factors.

*An investment in our securities involves a high degree of risk. You should carefully consider the following risk factors, together with all of the other information included in this Annual Report on Form 10-K, before you decide whether to invest in our securities. We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may also impair our business. The following discussion should be read in connection with the financial statements and notes to the financial statements contained elsewhere in this Annual Report on Form 10-K. You should consult your own financial and legal advisors as to the risks entailed by an investment in our securities and the suitability of investing in our securities in light of your particular circumstances. Some statements in this Annual Report on Form 10-K, including such statements in the following risk factors, constitute forward-looking statements. See the section entitled "Cautionary Note Regarding Forward-Looking Statements."*

### **Risks Related to the Business and the Industry**

***We have incurred significant losses since inception. We expect to incur losses in the future, may not be able to achieve or maintain profitability, and may need to raise additional capital to maintain our operations in the future.***

We have incurred significant losses since inception. For the years ended December 31, 2024, 2023 and 2022, we incurred net losses of \$101.9 million, \$71.7 million and \$40.1 million, respectively. Furthermore, any expansion of our services will result in increased operating costs. As a result, our losses are expected to continue and we may not achieve profitability when expected, or at all. Even if we do, we may not be able to maintain or increase profitability.

We expect our operating expenses to increase over the next several years as we scale our operations and increase research and development efforts relating to new offerings and technologies. These efforts may be more costly than we expect and may not result in meaningful revenue or growth in our business. Any failure to initiate and increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow. If our future growth and operating performance fail to meet investor or analyst expectations, or if we have future negative cash flow or losses resulting from expanding our operations, this could have a material adverse effect on our business, financial condition and results of operations.

We believe that our cash and cash equivalents and marketable securities as of December 31, 2024 will be sufficient to meet our working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months from the date of filing this Annual Report on Form 10-K. We expect to meet longer term expected future cash requirements and obligations through a combination of cash flows from operations and issuance of equity securities or debt offerings. However, this determination is based upon internal financial projections of operating cash flows and is subject to changes in market and business conditions. Our ability to obtain debt financing and/or issue equity securities on acceptable terms, or at all, will depend on, among other things, our financial performance and credit ratings, general economic factors, including inflation and prevailing interest rates, the condition of the credit and capital markets and other events, some of which may be beyond our control.

***The developing nature of our technology and product services makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.***

We have been focused on developing the next generation of complementary and backup PNT services and in order for us to be profitable, our services require substantial adoption across disparate industries, and may further depend on the deployment of our NextGen technology. Our existing services have been adopted for E911 and public safety customers, but we have not achieved broad adoption across all industries that may be necessary to achieve significant revenue growth or profitability. Risks and challenges we have faced or expect to face in connection with commercially marketing our services include our ability to:

- forecast our revenue and budget for and manage our expenses;
- attract new customers and retain existing customers;
- effectively manage our growth and business operations, including planning for and managing capital expenditures for our current and future infrastructure, and managing our supply chain and supplier relationships related to our services;
- effectively manage our spending on sales and marketing in order to address a disparate set of industries;
- comply with existing and new or modified laws and regulations applicable to our business;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate;
- secure the FCC rule changes needed to support the deployment of 5G-compatible PNT technologies;
- maintain and enhance the value of our reputation and brand;
- develop and protect intellectual property; and
- hire, integrate and retain talented people at all levels of its organization.

There is ongoing volatility in the financial and capital markets. If our access to capital is restricted or associated borrowing costs increase as a result of developments in financial markets, our operations and financial condition could be adversely impacted.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this “Risk Factors” section, our business, financial condition and results of operations could be adversely affected. Further, because we operate in a rapidly evolving market, any predictions about our future revenue, expenses and potential profitability may not be as accurate as they would be if we operated in a more developed market. Forecasting the revenue potential of our services is made more difficult by the fact that legacy location technologies, such as GPS, were developed by the U.S. Federal Government and made available to commercial users without charge. As a result, one of the adoption hurdles that must be overcome is convincing enterprise customers that the additional accuracy and security made available by our services justifies paying for them. We have encountered in the past, and we will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be materially and adversely affected.

***The Indenture governing our senior secured notes contains restrictions and other provisions regarding events of default that may make it more difficult to execute our strategy or to effectively compete, or that could materially and adversely affect our financial position.***

Subject to certain exceptions and qualifications, the Indenture Agreement governing the senior secured notes that we issued in 2023 (the “Indenture”) restricts our ability to, among other things, (i) incur indebtedness, other than certain forms of permitted debt, (ii) issue any preferred equity interests, (iii) create or permit to exist any lien on any property, other than certain limited forms of permitted encumbrances, (iv) merge, amalgamate, consolidate or sell all or substantially all assets, (v) make or hold any investment, other than certain forms of permitted investments, (vi) consummate certain asset sales, (vii) pay any dividend or other distribution with respect to any of our capital stock, (viii) make any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any of our capital stock or any option, warrant or other right to acquire any such capital stock, or (ix) dispose or transfer intellectual property that is material to our business. These restrictions, and others set forth in the Indenture as discussed below, may make it difficult to successfully execute our business strategy or effectively compete with others that are not similarly restricted.



The Indenture also provides that a number of events will constitute an event of default, including, among other things, (i) a failure to pay interest on the notes for 30 days, (ii) a failure to pay the principal of the notes when due at maturity, upon any required repurchase, upon declaration of acceleration or otherwise, (iii) any breach of our covenants with respect to consummating restricted consolidations, mergers, or other sale transactions, (iv) the failure to comply with any of our other agreements contained in the Indenture or the notes for 60 days after notice from the trustee or certain holders, (v) the failure by certain of our subsidiaries to guarantee the notes pursuant to their obligations, (vi) an invalid or unperfected lien on any material portion of the collateral, subject to certain exceptions, (vii) a default or other failure by us to make required payments under our other indebtedness for money borrowed in excess of \$1 million in the aggregate, (viii) a failure by us to pay final legal, arbitral or other judgments aggregating \$1 million or more, and (ix) certain events of liquidation, reorganization, bankruptcy or insolvency.

If an event of default occurs and is continuing, additional interest will accrue on the notes at a rate of 2% per annum of the principal amount of the notes outstanding as of the occurrence of the event of default. We will also be required to pay additional interest of up to 0.50% per annum if (x) we fail to timely make certain required filings with the SEC, until such filings are made, or (y) the notes are not otherwise freely tradeable under Rule 144 under the Securities Act. If we fail to pay interest on the notes for 30 days or the principal of the notes when due, the trustee has the right to declare all the notes to be due and payable immediately. In the case of certain events of bankruptcy, all outstanding notes will become due and payable immediately. Any such events of default or other acceleration of, or any increase in the amounts otherwise payable on, our debt could have a material adverse effect on our liquidity, particularly if we are unable to negotiate mutually acceptable terms with the holders of the notes or if alternate funding is not available to us. Furthermore, if we are unable to repay the notes upon an acceleration or otherwise, we could be forced into bankruptcy or liquidation.

In addition, in the event of a change of control, each holder has the right, at such holder's option and subject to the limitations set forth in the Indenture, to require us to repurchase for cash all or any portion of such holder's notes at a price equal to 101% of the aggregate principal amount with accrued and unpaid interest.

***Our ability to sell Pinnacle z-axis service may be limited and depends on third-party adoption and market demand.***

We do not sell our Pinnacle z-axis solutions directly to end users. Instead, we provide location technology that integrates with devices and applications that are created or distributed by third parties. Accordingly, our future growth significantly depends on third parties choosing to incorporate our technology into smartphone devices, applications and other new device types and markets that utilize location. We also depend on our customers, resellers and licensees to develop products and services with value-added features to drive sales and demand. Because GPS has been viewed in the marketplace as a reliable geolocation service provided for free to end users, our customers may not see a business need to integrate our solutions into our devices and applications. Despite efforts to educate customers about the need for z-axis geolocation services, there can be no assurance that such efforts will be successful and as a result, a market for our solutions may not be created.

***The majority of our business plan depends on selling services that must be licensed and integrated into our customers' platforms for sales to end users, and we typically only generate revenue from the arrangements when end users access those third-party platforms and utilize our services.***

Our business plans are dependent in part on the sale of location services to our customers, which are third-party developers who use our services to create applications for use in mobile devices, on vehicles and in other platforms. For these types of contracts, we recognize revenue when end users access and use our customers' applications. As a result, our business plans are also dependent in part on the success of our customers in selling their own products and services to end users. Contracts of this type do not contain purchase commitments and our limited operating history makes estimating the future variable volume and revenue associated with these contracts difficult. If our customers take longer than expected to integrate our services into their applications or are unable to sell their applications in the volumes or timeframes we expect, then the use of our services by end users and the related recognition of revenue could be delayed or may never occur.

***Depending on whether the FCC grants approval of our petition, we may not be successful in the evolution of our operations to utilize 5G NR signals, which will increase our costs and may increase the challenge of adopting our services, and the time it takes us to evolve our service may differ from our estimates.***

We are currently evolving our core technology from one reliant on a transmission that was designed to be technically compatible with GPS and GNSS receivers to one that is being designed to be technically compatible with the 5G NR ecosystem. This carries risks related to the technical performance of this transmission and the availability of equipment in the 5G NR ecosystem compatible with our spectrum and operations. If the technical performance of the 5G NR transmission is not similar to the technical performance of our legacy technologies, then the market for our services may be diminished. We must also secure approval from the FCC for this modified use of our licensed spectrum. We have submitted a petition to the FCC seeking this authority, which has been opposed by certain other users in the lower 900 MHz band. The petition remains pending before the FCC. Finally, while we intend our signal to be compatible with the 5G NR ecosystem, we may not be successful at integrating our service into commercial 5G NR transmitters, core network, receivers or other system components, which would significantly reduce the market for our services.

If there are significant delays in our evolution to 5G NR-compatible technologies, including technology, ecosystem, standardization or regulatory delays, our ability to offer our services to customers including the U.S. Federal Government and commercial entities will be impacted. If any or all such delays occur, our business may be harmed.

Our NextGen technology plans are dependent upon entering into partnerships to utilize our spectrum licenses for 5G NR broadband services in the manner set forth in our petition before the FCC. If we are unsuccessful in entering into partnerships, we may not be able to deploy and operate our 5G NR broadband services, or we may not be able to do so profitably.

***We face intense competition in our market, especially from competitors that offer their location services for free, which could make it difficult for us to acquire and retain customers and end users.***

The market for development, distribution and sale of location services is highly competitive. Many of our competitors have strong name recognition, sizable customer bases and significantly greater financial, technical, marketing, public relations, sales, distribution and other resources than we do. These competitors often offer competing services for free and have the financial capabilities to continue to improve upon their location services offering without charging a fee. Certain of our competitors are already vying for market share in the 3D location space through their participation in a federal regulatory proceeding involving the FCC in which wireless carriers are being required to enter into relationships with 3D location vendors in order to enable accurate 3D location information to be conveyed to E911 emergency dispatchers with each wireless call made to E911 emergency services. Although we believe our services currently offer an improved functionality over the services offered for free, there is no certainty that we will be able to achieve broad market appeal for our 3D location services. In addition, there is no guarantee that our services will be as reliable and with the same geographic coverage as the currently available geolocation services, which may impact our ability to attract new or retain existing customers to utilize our products over the free services offered by our competitors. The performance of our services may vary based on ambient conditions, both physical and environmental, which may impact the timing and location accuracy of the system. If our services are not meaningfully superior to those available at lower or no cost, we may have difficulty selling our services, achieving widespread adoption of our services and our business, financial position and results of operations may be harmed.

***We face competition from multiple sources.***

Our services compete against: (i) other satellite and terrestrial based location technology offerings, such as GPS, Observed Time Difference of Arrival and terrestrial beacons; (ii) other providers of Wi-Fi and cell-based positioning, such as Google, Apple and Polaris; (iii) venue-based solutions such as Bluetooth Low Energy; and (iv) other proprietary location solutions. In the smartphone location provider market, because Apple and Google control a large percentage of the market share for smartphone operating systems, already provide their services on a nationwide basis, and offer location provider services free as part of the iOS and Android markets, we are constrained in the distribution and monetization of our services in that market. As noted above, those vendors that secure access to wireless handsets for their 3D location services may be able to leverage a significant competitive advantage over other location service vendors. There are also a number of new location technologies in development that may further increase competition to support location capabilities in various wireless devices (such as Internet of Things) and which may require us to meet more stringent accuracy standards.

Certain of our competitors are substantially larger than us and have greater financial, technical, marketing and other resources. Thus, many of these large enterprises are in a better position to withstand any significant reduction in spending by customers in its markets, and often have broader product lines and market focus, have greater brand recognition and may not be as susceptible to downturns in a single market. These competitors may also be able to bundle their products together (such as with mapping software) to meet the needs of a particular customer, may be able to respond more rapidly to new or emerging technologies or changes in customer requirements and may be capable of delivering more complete solutions than we are able to provide. If large enterprises that currently do not compete directly with us choose to enter our markets by acquisition or otherwise, competition for both revenue and data would likely intensify. In addition, the growth of new location technologies currently in development may further increase competition to provide these new technologies. If we are not able to compete successfully for customers, our financial position may be materially adversely affected.

***Our Pinnacle network infrastructure is dependent on a hosting arrangement with AT&T.***

We entered into an equipment hosting agreement with AT&T, expiring in October 2026 (subject to earlier termination after three years in certain circumstances), and there is no assurance that the agreement will be renewed. This AT&T agreement provides for such important capabilities as the hosting of our Pinnacle network at AT&T's wireless sites, the provision of power to the Pinnacle network equipment and AT&T data service to enable the Pinnacle network equipment to communicate with us. We have no contractual right to require AT&T to continue its relationship with us beyond the existing term of the equipment hosting agreement and AT&T may elect not to renew our contracts or we and AT&T may not be able to come to an agreement on renewal or extension terms at or before the end of agreement term. If we cannot secure a renewal or extension of the equipment hosting agreement, we may have to construct a new Pinnacle network prior to expiration of the equipment hosting agreement. Constructing a new network would require significant time and resources that we may not be able to secure. In addition, if there is a delay in our ability to build a new network, our Pinnacle services may experience lengthy disruptions and outages. If we are unable to maintain our relationship with AT&T, our business, financial condition and results of operations would be harmed. Our ability to transmit data is dependent on AT&T's wireless data network and on the associated power supply available within that network. We have experienced temporary and geographically limited service outages due to issues with the AT&T wireless data network and our forecasted value from the Pinnacle network and the other benefits of the AT&T agreement may be degraded by any similar future service outages or other disruptions.

***We rely, in part, on AT&T for distribution of our services to FirstNet® customers.***

We entered into a services agreement with AT&T that was to expire in October 2022, with no renewal terms. Thereafter, we amended the agreement by extending it until January 7, 2024, and the agreement has been further extended to October 24, 2025. This AT&T agreement, as amended, continues our relationship in which AT&T purchases, markets and sells our services to its FirstNet® subscribers. We have no contractual right to require AT&T to continue its relationship with us, and AT&T may decide not to renew our services contract prior to the end of the extended term. If we are not able to secure a further renewal or extension of our services agreement with AT&T, our ability to sell or market products to FirstNet® and other public safety customers may be impacted, and our business, financial and results of operations may be materially and adversely harmed.

***Our services may not continue to be adopted or retained by wireless carriers and device vendors for E911.***

We have expended significant resources developing, testing and licensing software and solutions targeted towards E911 services, the primary customers for which are wireless carriers. While we are currently providing service to Verizon, and provide services to devices operating on other carriers' networks as customers for E911 services, our ability to retain these customers or sell our z-axis service to additional wireless carriers or device vendors for E911 in our coverage area depends upon the continued willingness of these carriers and device vendors to use our service to comply with FCC mandates. If carriers prefer competing solutions, or if our service is not able to meet future performance, geographic or other customer requirements, then the market for our services for E911 may be reduced.

Our ability to offer our service for E911 is also influenced by the willingness of wireless device manufacturers to incorporate our software or services into their device platforms. Apple and Google exert significant market power over services on their respective platforms, and there is no assurance that they will approve or adopt our software or services in connection with their respective platforms. If Apple and/or Google do not provide such approval, there could be a material adverse impact to our business, financial condition and results of operations.

***Our Pinnacle service in smartphones relies on the availability of barometric pressure measurements and 2D location being made available to us or our customers.***

In order for our customers to be able to utilize our Pinnacle service in smartphones, we and our customers must have access to barometric pressure measurements and 2D location information, both of which are made available by APIs provided by Google and Apple. If either Google or Apple meaningfully change their terms of service related to the use of this measurement and location data, choose not to provide this data to us or our customers, or choose not to incorporate location sensors in their devices, our ability to offer our Pinnacle service to our customers on these platforms will likely be impacted.

***Distribution and marketing of, and access to, our services in smartphones are contingent on our distribution partners' and customers' access to a variety of third-party platforms, in particular, mobile application stores. If these third parties limit, prohibit, or otherwise interfere with or change their policies in any material way, it could adversely affect our business, financial condition, and results of operations.***

Our customers market and distribute our products (including related mobile applications) through a variety of third-party distribution channels. Our ability to achieve broad market reach depends in part on the ability of our distribution partners and customers to use mobile application stores, such as the Apple App Store and Google Play Store. Both Apple and Google have broad discretion to change their policies regarding their mobile operating systems and app stores in ways that may limit, eliminate or otherwise interfere with our customers' ability to distribute or market their applications through such stores. To the extent our customers are unable to maintain a productive relationship with either or both of them, our relationships with these customers may be impacted and our ability to achieve broad market reach will be impacted and our business, financial condition and results of operations could be adversely affected.

***We rely upon Amazon Web Services to operate our cloud platform and any disruption of or interference with our use of Amazon Web Services or the need for additional cloud support would adversely affect our business, results of operations and financial condition.***

We host our applications in Amazon Web Services' ("AWS") cloud infrastructure. Customers of our products need to be able to access our platform at any time, without interruption or degradation of performance. AWS runs its own platform that we access, and we are, therefore, vulnerable to service interruptions at AWS. We have experienced and we expect that in the future we may experience interruptions, delays and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. Capacity constraints could be due to a number of potential causes including technical failures, natural disasters, fraud or security attacks. In addition, if our security, or that of AWS, is compromised, our products or platform are unavailable or our users are unable to use our products within a reasonable amount of time or at all, then our business, results of operations and financial condition could be adversely affected. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. To the extent that we do not effectively address capacity constraints and cost considerations, either through AWS or alternative cloud infrastructure, our business, results of operations and financial condition may be adversely affected. In addition, any changes in service levels from AWS may adversely affect our ability to meet our customers' requirements. Further, our customers may require it to support additional cloud platforms beyond AWS, which would result in additional costs to our business.

Any of the above circumstances or events may harm our reputation, possibly move customers to stop using our products, impair our ability to increase revenue from existing customers, effectively manage costs, impair our ability to grow our customer base, subject us to financial penalties and liabilities under our service level agreements and otherwise harm our business, results of operations and financial condition.

***We rely on a limited number of key vendors for timely supply of components or services for our service offerings. If these vendors experience problems, we could fail to obtain the equipment and services we require to operate our business successfully.***

The components required for our services and development are not available in high volume and are produced by a small number of vendors. We also depend on certain third-party services, in addition to those described elsewhere, for the provision of our services. If we are unable to procure these components or services or design or obtain effective alternatives, we may be unable to provide services to our customers, or develop our technology. In the event it becomes necessary to seek alternative vendors, we may be unable to obtain satisfactory replacement vendors on economically attractive terms on a timely basis, or at all, which could increase costs and may negatively impact our ability to expand our service offering or cause disruption in service.

If vendors of our equipment or providers of services on which we rely experience financial difficulties, service or billing interruptions, patent litigation or other problems or consolidate with larger entities, our growth and operating results could be negatively impacted. In addition, and without limiting the other risk factors specified herein relating to geopolitical and similar uncertainties, increases in tariffs or similar governmental authority actions may severely disrupt our supply chain and further degrade our ability to continue our existing, or find alternative, relationships with key component suppliers in a manner that materially harms our business.

***Our services are available within defined network footprints, and if we are not able to deploy new infrastructure, we will not be able to expand our service area.***

Our services are available within defined network footprints. Unlike certain of our competitors that do not require the deployment of network infrastructure to provide location services, we are not able to sell our services outside of these footprints where our customers may require services. In order to expand our footprint, we would need to invest significant time and financial resources to build-out additional infrastructure and there is no certainty that even if we were to be able to secure the financial resources to do so, that we would be able to expand our footprint successfully. In addition, as discussed in a subsequent section, certain of our services, such as our TerraPoiNT service, depend on access to radio spectrum. Although we hold FCC spectrum licenses covering over 90% of the U.S. population, we do not currently have access to licensed radio spectrum in every location in the United States. If we are not able to deploy new infrastructure, we will not be able to expand our service area, customers that require service outside of our footprints may choose other service providers, or may combine our service with other offerings, which may impact the value of our business.

***There is no guarantee that Federal and state government resilient PNT programs or our current commercial opportunities will result in procurements or in the adoption of our services or revenue to us, and the process that may result in such adoption or revenue may be delayed.***

We have expended significant resources to successfully market our resilient PNT services to U.S. Federal and state governments, or commercial customers. While the U.S. Congress has allocated financial resources for the purchase of resilient PNT systems, and Executive Order 13905 requires Federal agencies to consider resiliency requirements when procuring PNT systems, there is no guarantee that our resilient PNT system will be purchased by any Federal or state government entities. Further, government procurement cycles can be extended pending Congressional, regulatory, procurement process or other actions, and any market for our services that emerges in this sector may not generate revenue for an extended period of time, if at all.

Our TerraPoiNT services have not been implemented for broad commercial use, and there is no guarantee that TerraPoiNT services will be widely adopted. Key manufacturers of devices and chipsets may be unwilling to integrate TerraPoiNT processing capabilities and required components into their devices. Further, even if we are able to secure agreements with these leading manufacturers, the terms under which such integrations may occur may not be favorable to us. Further, there is no certainty that one of our competitors will not develop and commercialize a different solution in the meantime. In addition, our ability to sell TerraPoiNT service may be impacted by political or technological preferences. If we are unable to sell TerraPoiNT commercially, to additional government users, or to an international market, this will have a negative impact on our business.

***Our business depends on the use of location by a wide range of applications, including public safety and E911 applications, and which may include mobile marketing applications in the future. Privacy concerns relating to location data, generally, and our technology could damage our reputation and deter current and potential users from using our products and applications.***

Our business depends on the use of location by a wide range of applications, including public safety and E911 and which may include mobile marketing applications in the future. User perception about the sharing of location data and concerns, more broadly, about the collection of location data, or about our specific practices or the mobile applications that use our location services with regard to the collection, use, disclosure, or security of location information or other privacy related matters, even if unfounded, could damage our reputation and operating results, and could result in default and/or termination of agreements we have with various counterparties.

***Natural or man-made disasters or terrorist attacks could have an adverse effect on our business.***

Our services are built on a terrestrial-based technical infrastructure, which is vulnerable to damage or interruption from technology failures, power surges or outages, natural disasters (such as landslides, tornados, earthquakes, hurricanes and floods), fires, human error, terrorism, war, civil unrest, acts of god, pandemics, epidemics, intentional wrongdoing, cyber-security incidents, power losses, telecommunications failures or similar events. As a geolocation services provider, there is an increased risk that our technological infrastructure may be targeted in connection with terrorism or cyberattacks, either as a primary target, or as a means of facilitating additional attacks on other targets.

We are increasingly dependent on information technology systems and infrastructure to operate our business, so any such or similar events could materially disrupt our business operations or our provision of service in one or more markets. Costs we incur to restore, repair or replace our network or technical infrastructure, as well as costs associated with detecting, monitoring or reducing the incidence of unauthorized use, may be substantial and increase our cost of providing service. In addition, any of the aforementioned risks or events may be augmented if our business continuity and disaster recovery plans, or those of our supply chain, prove to be inadequate. If any of the above or similar events were to occur, we could experience an adverse impact to our business, financial condition and/or results of operations. Additionally, if applicable to any such events, our insurance may not be adequate to cover the costs associated. We also rely on third-party providers for certain of our infrastructure, any of which could also be subject to any such events, which could also have an adverse effect on our business.

***Significant disruptions of our information technology systems or data security incidents, or the perceived failure to adequately protect personal information or other confidential or proprietary data, could trigger contractual and legal obligations, harm our reputation, subject us to liability, cause us to modify our business practices and otherwise adversely affect our business, financial condition and results of operations.***

We are dependent on information technology systems and infrastructure to operate our business. We also rely on third parties to operate our business, whether because we have outsourced certain elements of our operations (including elements of our information technology infrastructure) to third parties, or may have incorporated third-party technology into our platform, or rely on third parties to incorporate our products and services into their offerings. As a result, a number of third parties may or could have access to our information technology systems (including our computer networks) or to our confidential information. In addition, many of those third parties in turn subcontract or outsource some of their responsibilities to third parties. As a result, our information technology systems, including the functions of third parties that are involved or have access to those systems, is large and complex. While all information technology operations are inherently vulnerable to inadvertent or intentional security breaches, incidents, attacks and exposures, the size, complexity, accessibility and distributed nature of our information technology systems, and personal or confidential information stored on those systems, make such systems potentially vulnerable to unintentional or malicious internal and external threats on our technology environment.

Vulnerabilities can be exploited from inadvertent or intentional actions or omissions of our employees, third-party vendors, business partners, or by malicious third parties. Attacks of this nature are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, “hacktivists,” nation-states and others. For example, despite our efforts to secure our information technology systems and the data contained in those systems, including any efforts to educate or train our employees, we remain vulnerable to phishing attacks.

In addition to the threat of unauthorized access or acquisition of sensitive or personal information, other threats could include the deployment of harmful malware, ransomware attacks, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Some of these external threats may be amplified by the nature of third-party web hosting or cloud computing services or by the integration of our product into a third party’s offerings. Our systems may experience directed attacks intended to interrupt our operations; extract money from it; and/or obtain our data (including without limitation end user or employee personal information or proprietary information).

Although we have implemented certain systems, processes, and safeguards intended to protect our information technology systems and data from such threats and mitigate risks to our systems and data, we cannot be certain that threat actors will not have a material impact on our systems or services in the future. Our safeguards intended to prevent or mitigate certain threats may not be sufficient to protect our information technology systems and data due to the developing sophistication and means of attack in the threat landscape. Recent developments in the threat landscape include an increased number of cyber extortion and ransomware attacks, with increases in the amount of ransom demands and the sophistication and variety of ransomware techniques and methodology. Additionally, our third-party vendors or business partners’ information technology systems may be vulnerable to similar threats and our business could be affected by those or similar third-party relationships. The risk of harm to our business caused by security incidents may also increase as we expand our product and service offerings and as we enter into new markets. The rise in the use and sophistication of artificial intelligence systems may also increase the risk and severity of cyber incidents. Implementing, maintaining, and updating security safeguards requires substantial resources now and will likely be an increasing and substantial cost in the future.

In the event we or one of our third-party providers were to suffer a security breach involving certain personal information, we may have legal obligations (whether pursuant to law or contractual obligation) to notify certain regulatory authorities, affected individuals, customers and/or other entities.

Any event that leads to unauthorized access, use or disclosure of personal information could disrupt our business, harm our reputation, compel us to comply with applicable federal and/or state breach notification laws and foreign law equivalents, subject us to time-consuming, distracting and expensive litigation, regulatory investigation and oversight, mandatory corrective action, require us to verify the correctness of database contents, or otherwise subject us to liability under laws, regulations and contractual obligations, including those that protect the privacy and security of personal information. Such statutory and contractual disclosures are costly, could lead to negative publicity, may cause our customers or the public to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived security breach. Compliance with these obligations could result in increased costs to us, as well as significant legal and financial exposure.

In addition, any actual or perceived failure by us or our vendors or business partners to comply with our privacy, confidentiality or data security-related legal or other obligations to third parties, or any security incidents or other unauthorized access events that result in the unauthorized access, release or transfer of sensitive information, may result in governmental investigations, enforcement actions, regulatory fines, litigation, or public statements against us by advocacy groups or others, and could cause third parties, including current and potential partners, to lose trust in us including existing or potential customers' perceiving our platform, system or networks as less desirable. We could also be subject to claims by third parties that we have breached our privacy- or confidentiality-related obligations, which could harm our reputation and materially and adversely affect our business and prospects. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages.

***We may become subject to litigation arising out of any security breaches, which may adversely affect our business.***

Litigation resulting from security breaches may adversely affect our business. Unauthorized access to our systems, networks, or physical facilities could result in litigation with our customers or other relevant stakeholders, government investigations, or regulatory actions, and may result in liability of or claims for indemnification by us with respect to the same. These proceedings could force us to spend money in defense or settlement, divert management's time and attention, increase our costs of doing business, and/or adversely affect our reputation. We could be required to fundamentally change our business activities and practices or modify our products and/or platform capabilities in response to such litigation, which could have an adverse effect on our business. Any costs incurred as a result of this potential liability could harm our business.

***We maintain insurance policies to cover certain losses relating to our information technology systems, but there is no certainty that our policy limits will be sufficient to cover all liabilities that we may face as the result of security incident and there is no assurance that we will be able to maintain our current policies or secure new policies in the future.***

We maintain insurance policies to cover certain losses relating to our information technology systems. However, there may be exceptions to our insurance coverage such that our insurance policies may not cover some or all aspects of a security incident. Even where an incident is covered by our insurance, the insurance limits may not cover the costs of complete remediation and redress that we may be faced with in the wake of a security incident and will not provide recovery for reputational harm. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to its insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

***We depend on the availability of personnel with the requisite level of technical expertise in the telecommunications industry.***

Our ability to develop and maintain our solutions and execute our business plan is dependent on the availability of technical engineering, information technology, service delivery and monitoring, product development, sales, management, finance and other key personnel within our geographic location. The specialized engineers and other personnel required for our growth are in high demand by companies with greater resources, so we may have difficulty hiring and retaining critical personnel to develop and operate our services, which will have a negative impact on our ability to grow and achieve widespread customer and user acceptance.

***We depend on key members of our senior management team; our performance could be adversely impacted if they depart and we cannot find suitable replacements.***

Our success depends largely on the skills, experience and performance of key members of our senior management team, including key members located in India (and subject to potential change in law), as well as our ability to attract and retain other highly qualified management and technical personnel. There is competition for qualified personnel in our industry, and we may not be able to attract and retain the personnel necessary for the development of our business. The loss of the services of key members of management and the inability or delay in hiring new key employees could adversely affect our ability to manage our business and our future operational and financial results.

***The failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to our intellectual property rights could adversely affect us.***

Our services, products and processes rely on intellectual property, including patents, copyrights, trademarks and trade secrets. In some cases, that intellectual property is owned by another party and licensed to us. The value of our intellectual property relies in part on our ability to maintain our proprietary rights to such intellectual property and use rights with respect to the intellectual property of others.

If we are unable to (i) obtain or maintain the proprietary rights to our intellectual property or the use rights with respect to the intellectual property of others, (ii) prevent attempted infringement against our intellectual property, (iii) defend against claims that we are infringing on another party's intellectual property, or (iv) otherwise enforce our proprietary intellectual property rights or our use rights to intellectual property of others in any manner, we could be adversely affected. These adverse effects could include, without limitation, us having to abandon, alter and/or delay the deployment of products, services or processes that rely on such intellectual property; having to procure and pay for licenses from the holders of intellectual property rights that we seek to use; and having to pay damages, fines, court costs and attorney's fees in connection with intellectual property litigation.

***Our results could be adversely impacted as a result of increased inflation and supply chain pressure impacting our or our vendors' expenses and availability of resources and components.***

Inflation and inflationary pressures have impacted, and may continue to impact, our business and the businesses of our suppliers and vendors. If we cannot manage inflationary pressures and any shortages in the labor market, it could increase labor costs or delay our ability to hire appropriate personnel. Further, tariffs, inflation and supply chain pressure may impact the availability and cost of services and equipment. Due to the competitive nature of our business, we may not be able to pass on to customers increases in our vendors' costs of production which could greatly affect our operating results. Independently or collectively these factors could have a material adverse effect on our consolidated operating results, financial condition, or ability to grow our business.

***Global economic conditions may directly or indirectly increase our risks from supply chain, cybersecurity, foreign currency fluctuations, or other factors.***

The financial markets and the global economy may be adversely affected by current or anticipated impact of military conflict, including the current conflict between Russia and Ukraine and related economic and other retaliatory measures taken by the United States, European Union and others, terrorism or other geopolitical events, including as a result of trade tensions between the U.S. and China. Sanctions imposed by the U.S. and other countries in response to conflicts, including the one in Ukraine, may also adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. Deteriorating economic conditions, financial uncertainty or political disruption, including any international trade disputes, changes in laws or policies governing the terms of international trade, or tariffs or taxes on imports from other countries may increase the likelihood of supply chain interruptions, cybersecurity incidents, disruptions to our information systems, foreign currency fluctuations, or other risks. For example, in February 2025, the current Administration issued three Executive Orders imposing tariffs of 25% on certain goods imported from Canada and Mexico and an additional 10% tariff on certain goods imported from China (including Hong Kong). The 10% tariff on imports from China took effect on February 4, 2025, while the tariffs on imports from Canada and Mexico took effect on March 4, 2025, after having been suspended, as did a further 10% tariff on Chinese imports. Historically, tariffs have led to increased trade and political tensions and in some cases economic disruption. In response to the recent tariffs, other countries have implemented retaliatory tariffs on U.S. goods. Political tensions as a result of trade policies could reduce investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. In challenging and uncertain economic environments such as the current one, it is not possible to predict whether or when such circumstances may improve or worsen, or what impact, if any, such circumstances, such as additional sanctions, tariffs, embargoes, regional instability, changes in laws or governmental administrations, geopolitical shifts and any related adverse effects, could have on the global economy or on our business, financial condition and results of operations, as well as those of our customers, partners and third-party service providers.

***We have acquired and may in the future acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value and harm our business, revenue and financial results.***

As part of our business strategy, we have made and intend to make acquisitions. Our previous and future acquisitions may not achieve our goals, and we may not realize benefits from acquisitions we make in the future. Any integration process will require significant time and resources, and we may not be able to manage the process successfully or expend additional resources in the integration process. If (i) we fail to successfully integrate acquisitions, or the personnel or technologies associated with those acquisitions, or (ii) the business case for consummating such acquisitions does not meet our expectations in any manner, the business, revenue and financial results of the combined company could be harmed. Our acquisition strategy may change over time and future acquisitions we complete could be viewed negatively by our stockholders or other parties with whom we do business. We may not successfully evaluate or utilize any acquired businesses, assets or technologies, or accurately forecast the financial impact of an acquisition, including the accounting impact of the acquisition. If we recognize a significant amount of goodwill in an acquisition and later are required to write down the value of the goodwill, our financial results could be negatively impacted. We may also incur unanticipated liabilities that we assume as a result of acquisitions. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our securities. In the future, we may not be able to find suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all.



***Strategic transactions, including mergers, acquisitions and divestitures, involve significant risks and uncertainties that could adversely affect our business, financial condition, results of operations, cash flows and equity.***

The Asset Purchase Agreement (as defined in Note 3 in the notes to the consolidated financial statements below) and any strategic mergers, acquisitions and divestitures we may make in the future present significant risks and uncertainties that could adversely affect our business, financial condition, results of operations, cash flows, liquidity and equity, which include, without limitation:

- Difficulty in identifying and evaluating potential mergers and acquisitions, including the risk that our due diligence does not identify or fully assess valuation issues, potential liabilities or other merger or acquisition risks;
- Difficulty, delays and expense in integrating newly merged or acquired businesses and operations, including combining product and service offerings, and in entering into new markets in which we are not experienced, in an efficient and cost-effective manner while maintaining adequate standards, controls and procedures, and the risk that we encounter significant unanticipated costs or other problems associated with integration;
- Differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- Difficulty, delays and expense in consolidating and rationalizing IT infrastructure, which may include multiple legacy systems from various mergers and acquisitions and integrating software code;
- Challenges in achieving strategic objectives, such as technology development, cost savings, that payments in common stock are more dilutive to current shareholders than anticipated or that cash consideration may be greater than anticipated, and other expected benefits;
- Risk that our markets do not evolve as anticipated and that the strategic mergers, acquisitions and divestitures do not prove to be those needed to be successful in those markets;
- Risk that we assume or retain, or that companies or corporations we have merged with or acquired have assumed or retained or otherwise become subject to, significant liabilities that exceed the limitations of any applicable indemnification provisions or the financial resources of any indemnifying parties;
- Risk that indemnification related to businesses divested or spun off that we may be required to provide or otherwise bear may be significant and could negatively impact our business;
- Risk that mergers, acquisitions, divestitures, spin offs and other strategic transactions fail to qualify for the intended tax treatment for U.S. Federal income tax purposes and the possibility that the full tax benefits anticipated to result from such transactions may not be realized;
- Risk that we are not able to complete strategic divestitures on satisfactory terms and conditions, including unsatisfactory non-competition arrangements applicable to certain of our business lines, unsatisfactory non-solicitation provisions applicable to the talent we are able to pursue or within expected timeframes;
- Potential loss of key employees or customers of the businesses merged with or acquired or to be divested;
- Risk of diverting the attention of senior management from our existing operations; and
- Risk that we will not receive the necessary regulatory approvals (e.g., for the assignment of license pursuant to the Asset Purchase Agreement).

## **Risks Related to Legal and Regulatory Matters**

***Our business depends on access to radio spectrum to provide certain of our location services and access to such spectrum is not a certainty.***

Certain of our location services depend on our ability to use portions of the radio spectrum licensed by the FCC in a manner that is inconsistent with the rules applicable to LMS services in this spectrum. Through our wholly owned affiliate, Progeny LMS, LLC, we hold licenses issued by the FCC to use radio spectrum for location services within the 902-928 MHz band, identified by the FCC as LMS licenses. These spectrum licenses are subject to rules that were adopted by the FCC nearly thirty years ago and do not reflect (and are often incompatible with) current technology in the fields of radio signal modulation (such as 5G transmissions) and wireless PNT services. We have therefore filed a petition with the FCC seeking to update the rules and rechannelize our licensed use of the 902-928 MHz spectrum. Our petition has been opposed by third parties that use portions of the 902-928 MHz band for other purposes, many of them on a secondary, subordinate basis to our licensed operations. We continue to work with the FCC and interested third parties in seeking approval for our petition to update the rules for the 902-928 MHz spectrum so we can deploy next-generation PNT services using state-of-the-art 5G technology in that band.

Our current LMS licenses provide coverage of most areas of the U.S. and the vast majority of populated areas within the U.S. Our licenses, however, even when combined with the assignment of licenses pursuant to the Asset Purchase Agreement, do not provide nationwide coverage, which we are likely to need to provide certain of our location services on a nationwide basis. Therefore, the petition we filed at the FCC requests reconfiguration of the spectrum licenses as well as additional spectrum currently in FCC inventory in order to achieve nationwide coverage or to serve every major city. If the FCC does reconfigure the spectrum, and it regains auction authority, it may decide to use an auction as part of the process of distributing the licenses. We may be required to participate and compete with other bidders in such an auction, with no certainty of winning. If we are unable to secure additional LMS licenses or suitable alternative spectrum in a different frequency band, our ability to expand certain of our services nationwide may be negatively impacted, which may have a negative impact on our business, financial condition and results of operations.

***If we are able to convert our signal transmissions to a 5G NR platform, the FCC may not permit us to realize all of the benefits of our 5G NR architecture, including the additional transmission of high-throughput non-PNT-related voice and data alongside our PNT data.***

One of the significant benefits of converting our spectrum transmissions, including those with respect to the spectrum we are seeking to acquire pursuant to the Asset Purchase Agreement (as defined in Note 3 in the notes to the consolidated financial statements below) dated March 7, 2024, to a 5G NR platform would be a substantial increase in the data transmission capacity of our network, thus facilitating the carriage of non-PNT-related two-way voice and data services alongside our core PNT data transmission. The FCC's rules already permit us to use our current 8 MHz of LMS spectrum for the carriage of two-way voice and data services, but these communications must be related to our PNT services and are not permitted to be interconnected in real time with the public switched network unless a store and forward technology is used. Therefore, to maximize the benefit of a conversion to a 5G NR platform, assuming the conversion is successful, we have requested flexibility from the FCC permitting us to use our spectrum and the spectrum we are seeking to acquire for additional non-PNT-related services in addition to our PNT offerings. Our proposal has faced substantial opposition from other users of the 902-928 MHz band, and there is no certainty that the FCC will provide us this flexibility nor is there certainty with respect to the extent of the flexibility that is provided.

***Our FCC licenses authorize the use of radio frequencies that are shared with other radio services, which could result in harmful interference and impairment to our use of our licensed spectrum.***

Our LMS licenses authorize us to use the upper portion of the 902-928 MHz band. This spectrum is a shared frequency band that is used for a number of purposes both by individuals, businesses and the federal government. Other services that are authorized to use these frequencies include federal radiolocation systems; industrial, scientific and medical devices; licensed amateur radio operations; and certain unlicensed devices. Our use of the spectrum is subject to FCC requirements that our operations must accept harmful interference from other uses of the spectrum that have more senior rights to the spectrum. We have been successful thus far in using our LMS spectrum to operate location services without experiencing material impairment of our location services caused by more senior spectrum uses, but no certainty exists that we will be able to continue to do so with either the current-generation systems or following our proposed transition to a 5G NR platform. More senior uses of the 902-928 MHz band could become more numerous or could alter the characteristics of their transmissions in ways that could increase the interference to our location services, resulting in diminished coverage, consistency and accuracy of our location services.

In addition, we are required to refrain from causing unacceptable interference to unlicensed operations. The FCC issued a decision in 2013 that concluded that, based on field tests, we had successfully demonstrated that our location services did not cause unacceptable interference to such unlicensed operations. Third-party challenges to that FCC decision are still pending. Further, changes in our operations could alter the transmission characteristics of our location services, potentially requiring us to provide further demonstrations that our location services do not cause unacceptable interference to those unlicensed operations. No certainty exists that the FCC would conclude in the future that we have succeeded in making such a demonstration a second time. We have requested that the FCC change the rules requiring field tests showing no unacceptable interference to unlicensed operations. However, the FCC may decline to change the rule, and if we are unable to make this demonstration to the satisfaction of the FCC, we may not be able to make changes to our operating characteristics, potentially preventing the future implementation of desirable innovations.

***Our LMS licenses are subject to renewal by the FCC and no certainty exists that we will be able to secure ongoing renewals of our licenses.***

Our LMS licenses were issued by the FCC for renewable periods of ten years. The FCC granted our renewal request for 78 of our LMS licenses in March 2024, extending their validity until July 19, 2030. For 148 of our LMS licenses, the current term was scheduled to expire on July 19, 2020. We filed timely renewal requests for these LMS licenses at the FCC, which remain pending. The FCC's rules do not identify a specific threshold that must be demonstrated in order for us to secure renewal of our LMS licenses, which means the applicable threshold is the FCC's statutory obligation to grant a renewal of our licenses if it serves the public interest. Our LMS licenses were initially required to be renewed on July 19, 2010. We timely filed an application for renewal, which the FCC granted on January 17, 2017. The FCC's renewal grant was expressly conditioned on our compliance with build-out requirements, discussed further below. On July 7, 2020, we filed a second request for renewal of our LMS licenses, which is still pending before the FCC. We believe that our most recent license renewal applications satisfied all of the FCC's requirements for grant and the four-year delay in their disposition does not suggest a deficiency (particularly since our prior license renewal applications remained pending for nearly seven years before they were granted). If we secure the renewal of our LMS licenses, our license renewal applications thereafter will be subject to new FCC rules placing additional conditions on license renewal applications. Specifically, to secure a third renewal of our LMS licenses in 2030, we will be required to demonstrate compliance with additional requirements, including that we have satisfied its build-out construction requirements, that we use our network to provide service to the public, and that the service provided is at least at the same level of service that was demonstrated at the time of our build-out showing. No certainty exists that we will receive the currently applied for renewal or continue to meet the requirements of such renewal for future applications. If we fail to secure renewals for our LMS licenses, we will not be able to pursue our next-generation PNT services as previously planned and our business, financial condition and results of operations could be harmed.

***Many of our LMS licenses are subject to end-of-term build-out requirements maintained by the FCC, and no certainty exists that we will be able to comply with the build-out requirements for all of our licenses.***

LMS licenses are subject to FCC rules that require licensees to make productive use of their licensed radio spectrum by a specific deadline and generally continue such use throughout the term of the licenses. If a licensee fails to satisfy its build-out deadlines, the FCC will declare its licenses to be null and void, unless it obtains an extension of time to construct or secures a waiver of the requirement. Pursuant to orders issued by the FCC on January 1, 2017, July 19, 2020, and March 29, 2023, the end-of-term build-out deadlines for our FCC licenses were divided into two groups: a deadline of June 17, 2021 for our 82 licenses covering the 41 most populous Economic Areas ("EAs") in the United States and a deadline of April 3, 2023 for our 144 licenses covering our remaining 72 licensed EAs.

To comply with our build-out requirements on each of the deadlines, we were required to demonstrate for each of our LMS licenses either that the geographic area of our licensed network provides coverage of at least two-thirds of the population in each of the licensed areas or that we are providing substantial service to end users in each of our licensed areas. Alternatively, we could make a showing of substantial service in the geographic license area. On February 2, 2021, we filed a waiver request with the FCC seeking approval of another option, namely demonstrating that the geographic area of our licensed network provides coverage of at least two-thirds of relatively tall buildings (those in excess of three stories) rather than two-thirds of the population. On March 29, 2023, the FCC approved the use of this tall building approach by issuing an order that concluded that two-thirds coverage of tall buildings is sufficient to qualify as substantial service.

We employed a tall building coverage approach with respect to the end-of-term build-out showings that we filed with the FCC for our 82 LMS licenses that were subject to a June 17, 2021 build-out deadline. On April 17 and 18, 2023, the FCC “accepted” (i.e., approved) the build-out showings for 78 of the 82 LMS licenses that were subject to a June 17, 2023 build-out deadline. The build-out showings for the remaining four LMS licenses that were subject to a June 17, 2023 build-out deadline remain pending before the FCC. The build-out showings for these four licenses employed a different methodology than the remaining 78 licenses. Specifically, the build-out showing for these licenses was based on the provision of substantial service to geographic areas that covered less than two thirds of the populations or tall buildings in these licensed areas combined with the provision of vertical location services and terminal reception devices to certain fire departments within the licensed areas for situational awareness training in multistory building environments. The FCC’s rules permit the use of alternative substantial service showings involving the provision of novel services to discrete recipients. While we do not currently have reason to believe that the FCC will decline to accept these build-out showings, there is no certainty that the FCC will act favorably on these remaining four showings.

With respect to our 144 LMS licenses that were subject to an April 3, 2023 build-out deadline, for 64 of those licenses, we timely filed build-out showings demonstrating that the geographic area of our licensed network provides coverage of at least two-thirds of the relatively tall buildings (those in excess of three stories) in each of the 32 EAs covered by these licenses. These build-out showings are pending before the FCC. With respect to another eight LMS licenses covering four EAs, relatively brief extensions of the build-out deadline of between three to nine months were requested to address delays in the transmitter site permitting and construction process in those markets. Those delays have since been addressed and build-out showings for the eight LMS licenses were filed with the FCC prior to the conclusion of the three to nine month extensions that we requested for those licenses. These eight build-out showings are also pending before the FCC. Finally, with respect to the remaining 72 licenses covering many of the least populated EAs authorized by Progeny’s LMS licenses, an initial request for a two-year extension, until April 3, 2025, of the build-out deadline was submitted. More recently, on January 10, 2025, we filed a request for an additional extension of the build out deadline for our remaining 72 licenses until the earlier of April 3, 2028 or 18 months after the FCC grants our petition seeking updated rules for LMS spectrum. These extension requests, which remain pending, were based on multiple justifications that have been deemed by the FCC to be sufficient to merit the grant of such extensions in comparable cases involving other FCC licensees, although no certainty exists that the FCC will conclude that Progeny’s extension requests will be similarly warranted.

***Our retention and use of our LMS licenses has been the subject of ongoing objections by third parties that could result in the revocation or non-renewal of our LMS licenses.***

The FCC’s oversight of radio spectrum is conducted using a largely public process that is generally governed by the Administrative Procedure Act and the FCC’s rules on public participation in spectrum allocation and licensing proceedings. As a result, our retention and use of our LMS licenses has been the subject of comments and objections from third parties, including other users of the 902-928 MHz frequencies and other current and former licensees of LMS spectrum. In the past, the FCC has regularly rejected and dismissed these objections to our retention and use of our LMS licenses, but no certainty exists that the FCC will continue to do so in the future. Certain of the previous objections remain pending before the FCC, meaning that the FCC could still act on them in a manner that is adverse to us. If the FCC acts on any current or future objections by third parties, our LMS licenses could be revoked or not renewed, which will have a material adverse impact on our ability to use the spectrum as previously planned and our business, financial condition and results of operations will be harmed.

***A portion of our business plan targets government customers, which subjects us to risks, including early termination, audits, investigations, sanctions and penalties.***

One of our business strategies is to develop business relationships with U.S. government agencies for the provision of our products and services. We currently contract directly with U.S. government agencies, including NASA, and perform as a subcontractor to other contractors under U.S. government programs. As a U.S. government contractor, our business is subject to statutes and regulations applicable to companies doing business with the U.S. government, including the Federal Acquisition Regulation, or FAR; Department of Defense FAR Supplement, or DFARS; and NASA FAR Supplement, or NFS.

The funding of U.S. government programs is subject to annual U.S. Congressional appropriations. Long-term government contracts and related orders are subject to cancellation if appropriations for subsequent performance periods are not made. In addition, the U.S. government may modify, curtail or terminate its contracts and subcontracts without prior notice at its convenience and in that event, the counterparty to the contract may generally recover only its incurred or committed costs and settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, the defaulting party may be liable for any extra costs incurred by the government in procuring undelivered items from another source, among other potential contract damages. The termination of funding for a U.S. government program that we support, or any modification or curtailment of our U.S. government prime contracts or subcontracts, would result in a loss of anticipated future revenue attributable to that program, which could have an adverse effect on our operations, financial condition or U.S. government customer demand for our products and services.

In addition, U.S. government contracts normally contain additional requirements that may increase our costs of doing business, reduce our profits, and expose us to liability for failure to comply with these terms and conditions. These compliance costs might further increase in the future, reducing our margins, which could have a negative effect on our financial condition. These requirements include, for example:

- specialized disclosure and accounting requirements unique to U.S. government contracts;
- financial and compliance audits;
- public disclosures of certain contract and company information; and
- mandatory socioeconomic compliance requirements.

Failure to comply with these U.S. government contracting regulations and requirements may result in potential price adjustments, recoupment of U.S. government funds after such funds have been spent, civil and criminal penalties, or administrative sanctions such as suspension or debarment from U.S. government contracting or subcontracting for a period of time and could have a material adverse effect on our reputation and ability to secure future U.S. government contracts.

Our government contract activities are subject to audits and investigations by U.S. government agencies, including agency Inspectors General, regarding our compliance with U.S. government contract requirements. If any audit, inquiry or investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, suspension of payments, fines, and suspension or debarment from doing business with the U.S. government.

In addition, if we fail to comply with U.S. government contracting laws, regulations and contract requirements, our contracts may be subject to termination, and we may be subject to financial and/or other liability under our contracts, the Federal Civil False Claims Act (including treble damages and other penalties), or criminal law. In particular, the False Claims Act's "whistleblower" provisions also allow private individuals, including present and former employees, to sue on behalf of the U.S. government. Any penalties, damages, fines, suspension, or damages could adversely affect our ability to operate our business and our financial results.

***We and our service providers collect, process, transmit, and store personal information, which creates legal obligations and may give rise to additional costs and liability. Failure to comply with federal, state and foreign laws and regulations relating to privacy and data protection could adversely affect our business and its financial condition.***

We collect, process, transmit and store personal information, such as certain individual geolocation information, and other personal information relating to business contacts, personnel, end users, and website visitors, and we may rely in part on third parties that are not directly under its control to manage certain of these operations on our behalf. A variety of federal and state laws and regulations, as well as international laws and regulations (including as applicable the General Data Protection Regulation) govern the collection, use, retention, sharing and security of this information. If we fail to comply with these requirements, we may be subject to financial and/or other liability, including government investigations, regulatory action, litigation, and/or reputational harm.

The U.S. privacy and data protection legal landscape continues to evolve, with certain states having enacted broad-based data privacy and protection legislation and with other states and the federal government continuing to consider additional data privacy and protection legislation. The potential effects of this legislation are far-reaching, may be inconsistent between jurisdictions and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. Although we do not have direct interaction with end users, we may still be subject to these laws with respect to other personal information we process, or by way of acting as a service provider to our customers, which may bear additional obligations under these laws.

We or our customers may also be subject to FCC rules regarding Customer Proprietary Network Information or other restrictions on our ability to use certain data that we collect in connection with 911 or other calls. Further, the FCC's wireless location rules subject us to additional privacy restrictions with respect to our use of any location information resulting from the provision of location services to support 911 emergency services.

Our obligations under applicable data privacy laws, regulations, contracts, industry standards, self-certifications, and other documentation may include maintaining the confidentiality, integrity and availability of personal information or other data in our possession or control, maintaining reasonable and appropriate security safeguards as part of an information security program, and limits on the use and/or cross-border transfer of such personal information or other data. These obligations create potential liability to regulators, our business partners and customers, end users, and other relevant stakeholders and also may impact the attractiveness of our services to existing and potential customers. Data protection laws around the world often require “reasonable”, “appropriate” or “adequate” technical and organizational security measures, and the interpretation and application of those laws are often uncertain and evolving, and there can be no assurance that our security measures will be deemed adequate, appropriate or reasonable by a regulator or court.

Given the evolving nature of security threats and evolving safeguards, we cannot be sure that our chosen safeguards will protect against security threats to our business, including the personal data that we process. However, even security measures that are appropriate, reasonable, and/or in accordance with applicable legal requirements may not be able to fully protect our information technology systems and the data contained in those systems, or our data that is contained in third parties’ systems. Moreover, certain data protection laws impose on us responsibility for our employees and third parties that assist with aspects of our data processing. Our employees’ or third parties’ intentional, unintentional, or inadvertent actions may increase our vulnerability or expose us to security threats, such as phishing attacks, and we may remain responsible for successful access, acquisition or other disclosure of our data despite the quality and legal sufficiency of our security measures.

In addition to the risk of data breaches and noncompliance with applicable law, we may be exposed to additional liability for our failure to adhere to the technical or operational security requirements of the Payment Card Industry Data Security Standards (“PCI DSS”) if and as applicable, imposed by the Payment Card Industry Security Standards Council to protect cardholder data. Penalties arising from PCI DSS enforcement are inherently uncertain as penalties may be imposed by various entities within the payment card processing chain without regard to any statutory or universally mandated framework. Such enforcement could threaten our relationship with our banks, card brands we do business with, and our third-party payment processors.

We publish privacy policies, notices and other documentation regarding our collection, processing, use and disclosure of personal information. Although we endeavor to comply with our published policies and other published documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees or vendors fail to comply with our published policies or other documentation. Such failures can subject us to potential law enforcement or legal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices.

We expect that new industry standards, laws and regulations will continue to be proposed regarding privacy, data protection and information security in many jurisdictions. We cannot yet determine the impact such future laws, regulations and standards may have on our business. We expect that the evolving regulatory interpretation and enforcement of data protection laws, as well as other domestic and foreign data protection laws, will lead to increased operational and compliance costs and may require us to make changes to our operations, policies, and procedures.

***Our business is subject to a wide variety of additional extensive and evolving government laws and regulations. Failure to comply with such laws and regulations could have a material adverse effect on our business.***

We are subject to a wide variety of laws and regulations relating to various aspects of our business, including, without limitation, with respect to our wireless location services, employment and labor matters, health care matters, tax matters, privacy and data security matters, health and safety matters, customs matters and government contracting matters. Laws and regulations at the foreign, federal, state and local levels frequently change, especially in relation to new and emerging industries, and we cannot always reasonably predict the impact from, or the ultimate cost of compliance with, current or future legal, regulatory or administrative changes. We monitor these developments and devote a significant amount of our management’s time and external resources towards compliance with these laws, regulations and guidelines, and such compliance places a significant burden on management’s time and other our resources, and it may limit our ability to develop new business channels. Moreover, changes in law, the imposition of new or additional regulations or the enactment of any new or more stringent legislation that impacts our business could require us to change the way we operate and could have a material adverse effect on our sales, profitability, cash flows and financial condition.

Failure to comply with these laws or regulations or failure to satisfy any criteria or other requirement under such laws or regulations, such as with respect to obtaining and maintaining licenses, certificates, authorizations and permits critical for the operation of our business, may result in civil penalties private lawsuits, criminal actions or reputational harm, or result in a delay or the denial, suspension or revocation of our existing or contemplated licenses, certificates, authorizations or permits, which would prevent us from operating our business.

Additionally, regulation of our industry is still evolving, and new or different laws or regulations could affect our operations and increase direct compliance costs. Application of these laws or regulations to our business may negatively impact our performance in various ways, limiting the collaborations we may pursue and increasing our costs and the time necessary to obtain required authorization. The adoption of a multi-layered regulatory approach to any one of the laws or regulations to which we are or may become subject, particularly where the layers are in conflict, could require alteration of our services or operational parameters, which may adversely impact our business. We may not be in complete compliance with all such requirements at all times and, even when we believe we are in complete compliance, a governmental authority (including a regulatory agency) may determine that we are not.

***We are subject to stringent U.S. export control and economic sanctions laws and regulations. Unfavorable changes in these laws and regulations or U.S. government licensing policies, our failure to secure timely U.S. government authorizations under these laws and regulations, or our failure to comply with these laws and regulations could have a material adverse effect on our business, financial condition and results of operations.***

Our business plans are based in part on the distribution of our equipment, software and services world-wide. We are required to comply with U.S. export control laws and regulations, including the EAR administered by the U.S. Department of Commerce's Bureau of Industry and Security and the foreign asset control regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. Pursuant to these foreign trade control laws and regulations, we are required, among other things, to (i) determine the proper licensing jurisdiction and export classification of products, software, and technology, (ii) obtain licenses or other forms of U.S. government authorization, or qualify for exceptions, to export our products, software, and technology outside the United States, and (iii) avoid engaging in unauthorized transactions with certain sanctioned countries, territories, entities, and individuals. Violations of applicable export control and sanctions laws and related regulations, which are enforced on a strict liability basis, could result in criminal and administrative penalties, including fines and possible denial of export privileges. U.S. export licenses or license exceptions are required to transfer or make accessible certain of our software source code and technology to our non-U.S. employees (deemed exports).

In addition, U.S. export control laws and related licensing policies continue to change, further regulating the export and re-export of our products, services, and technology from the U.S. and abroad, and increasing our costs and the time necessary to obtain required authorization. For example, should exceptions or exemptions under the EAR be changed, our activities otherwise authorized via these mechanisms may become unavailable and could result in the need for additional export authorizations.

Additionally, changes to the administrative implementation of export control laws at the agency level may suddenly change as a result of geopolitical events, which could result in existing or proposed export authorization applications being viewed in unpredictable ways, or potentially rejected, as a result of the changed agency level protocol. Increasing trade tensions with China and Russia, in particular, may affect our supply chain, increase direct and indirect compliance costs, or significantly impact relations with business partners. The extensive and changing nature of these export control laws and related licensing policies may diminish our ability to market our solutions in the certain markets.

***We are exposed to risks related to geopolitical and economic factors, laws and regulations and our international business subjects us to numerous political and economic factors, legal requirements, cross-cultural considerations and other risks associated with doing business globally.***

Although our international business is still in its early stages, its development is subject to both U.S. and foreign laws and regulations, including, without limitation, laws and regulations relating to export/import controls (described above), sanctions, technology transfer restrictions, government contracts and procurement, data privacy and protection, anti-corruption laws, including the FCPA, the anti-boycott provisions of the U.S. Export Control Reform Act, security restrictions and intellectual property. Failure by us, our employees, affiliates, partners or others with whom we work to comply with applicable laws and regulations could result in administrative, civil, commercial or criminal liabilities, including suspension or debarment from government contracts or suspension of our export/import privileges. New regulations and requirements, or changes to existing ones in the various countries in which we operate can significantly increase our costs and risks of doing business internationally.

Changes in laws, regulations, political leadership and environment, and/or security risks may dramatically affect our ability to conduct or continue to conduct business in international markets, including sales to customers and purchases from suppliers outside the U.S. We may also be impacted by U.S. and foreign national policies and priorities, political decisions and geopolitical relationships, any of which may be influenced by changes in the threat environment, political leadership (including the new U.S. presidential administration), geopolitical uncertainties, world events, bilateral and multi-lateral relationships and economic and political factors, and any of which could impact our operations and/or export authorizations, or delay purchasing decisions or payments and the provision of supplies, goods and services. Global economic conditions and fluctuations in foreign currency exchange rates could further impact our business. For example, the tightening of credit in financial markets outside of the U.S. could adversely affect the ability of our customers and suppliers to obtain financing and could result in a decrease in or cancellation of orders for our products and services or impact the ability of our customers to make payments, or the implementation of new tariffs or other import- or customs-related regulations (e.g., the Information and Communications Technology and Services regime, forced labor restrictions) could impact the availability or cost of product components. We cannot predict what changes to U.S. trade policy will be made by the current Administration, a future presidential administration or Congress, including whether the entry into new bilateral or multilateral trade agreements will occur, nor can we predict the effects that any such changes would have on our business. Changes in U.S. trade policy have resulted and could again result in adverse reactions from U.S. trading partners, including the adoption by such countries of responsive trade policies that may make it more difficult or costly for U.S. businesses to do business with suppliers and manufacturers of such countries. Changes to U.S. foreign trade policy that restrict our ability to transact with other countries, individuals or entities or to conduct business outside the U.S. could materially and adversely affect our business, financial position, results of operations and/or cash flows.

We also are increasingly dependent on in-country suppliers and we face risks related to their failure to perform in accordance with the contracts and applicable laws, particularly where we rely on a sole source supplier. The services we provide internationally are sometimes in countries with unstable governments, economic or fiscal challenges, military or political conflicts and/or developing legal systems. This may increase the risk to our employees, subcontractors or other third parties, and/or increase the risk of a wide range of liabilities, as well as loss of property or damage to our products.

The occurrence and impact of these factors is difficult to predict, but one or more of them could have a material adverse effect on our financial position, results of operations and/or cash flows.

#### **Risks Related to our Common Stock**

*If we issue and sell additional shares of our common stock in the future, our existing stockholders will be diluted and our stock price could fall.*

Our amended and restated certificate of incorporation authorizes the issuance of up to 500,000,000 shares of common stock, of which, as of December 31, 2024, 131,136,712 shares were outstanding, 9,690,053 shares were reserved for issuance under our stock incentive plans or other outstanding options and 29,736,493 shares were issuable upon the exercise of warrants. As a result, we have a large number of shares of common stock that are authorized for issuance and are not outstanding or otherwise reserved and could be issued at the discretion of our board of directors (our “Board”). We expect to seek additional financing in the future in order to fund our operations, and if we issue additional shares of common stock or securities convertible into common stock, our existing stockholders will be diluted. Our Board may also choose to issue shares of our common stock or securities convertible into or exercisable for our common stock to acquire assets, corporations or companies, for compensation to employees, officers, directors, consultants and advisors, to fund capital expenditures and to enter into strategic partnerships. Additionally, shares of common stock could be issued for anti-takeover purposes or to delay or prevent changes in control or management of the Company. Our Board may determine to issue shares of our common stock on terms that our stockholders do not believe enhance stockholder value, or that may ultimately have an adverse (including a material adverse) effect on our business or the trading price of our common stock. Further, the issuance of any such shares may cause further dilution to the ownership interest of our current stockholders, reduce the book value per share of our common stock and may contribute to a reduction in the market price for our common stock.

*Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.*

Certain of our executive officers, directors and stockholders own a significant percentage of our outstanding capital stock. As of December 31, 2024, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately 46% of our outstanding shares of common stock. Accordingly, our directors, executive officers and certain stockholders have significant influence over our affairs due to their substantial stock ownership, and even more so when coupled with their positions on our management team, as applicable. For example, these stockholders may be able to control or influence elections of directors, amendments of our organizational documents, or the approval of any merger, sale of assets or our business, or other major corporate transaction. The concentrated ownership of our common stock may also cause additional volatility as fewer of our shares may be traded on a daily basis. Furthermore, any significant sale of common stock by any of these holders could have an adverse impact on the trading price of our common stock. This concentration of ownership may prevent or discourage unsolicited acquisition proposals or offers for our common stock that some of our stockholders may believe is in their best interest.



***We are subject to the reporting requirements of federal securities laws, compliance with which involves significant time, expense and expertise.***

We are a public reporting company and are subject to the information and reporting requirements of the Exchange Act and other federal securities laws, including the obligations imposed by the Sarbanes-Oxley Act of 2002. The ongoing costs associated with preparing and filing annual, quarterly and current reports, proxy statements and other information with the SEC in the ordinary course, as well as preparing and filing audited financial statements, are significant and may cause unexpected increases in operational or advisor (including legal and accounting) expenses. Our present management team is relatively small and may be unable to manage the ongoing costs and compliance effectively. It may be time consuming, difficult and costly for us to hire additional financial reporting, legal, accounting and other finance staff in order to build and retain a management team with adequate expertise and experience in operating a public company. Although our common stock trades on The Nasdaq Capital Market, a regular trading market for our common stock may not be sustained in the future.

In addition, as a public reporting company, we will be required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting by the time our second annual report is filed with the SEC and thereafter, which will require us to document and make significant changes to our internal control over financial reporting, which in turn will require us to implement and monitor internal controls over financial reporting.

***We have never paid dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future.***

The continued operation and expansion of our business will require substantial funding. We have paid no cash dividends on any of our capital stock to date and we currently intend to retain our available cash to fund the development and growth of our business. Any determination to pay dividends in the future will be at the discretion of our Board and will depend upon our results of operations, financial condition, contractual restrictions (such as those of the Indenture), restrictions imposed by applicable law and other factors our Board deems relevant. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock, which may never occur.

***Warrants to purchase common stock are exercisable, which could increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.***

We have a significant number of outstanding warrants for the purchase of common stock. Outstanding warrants to purchase an aggregate of 18,749,960 shares of common stock became exercisable on November 27, 2021 (the 30th day following the closing of the Business Combination) in accordance with the terms of the warrant agreement governing those securities. These warrants consist of 14,509,768 public warrants and 4,240,192 private placement warrants, related to Spartacus' initial public offering and financing. The 4,240,192 private placement warrants have been registered pursuant to an effective registration statement. Each warrant entitles its holder to purchase one share of common stock at an exercise price of \$11.50 per share and will expire at 5:00 p.m., New York time, on October 28, 2026 (five years after the completion of the Business Combination), or earlier upon redemption of our common stock or our liquidation. To the extent warrants are exercised, additional shares of common stock will be issued, which will result in dilution to our then existing stockholders and increase the number of shares eligible for resale in the public market.

Moreover, in conjunction with the issuance of our senior secured notes in 2023 (Refer to Note 8 to our consolidated financial statements for the twelve months ended December 31, 2024 included elsewhere in this Annual Report on Form 10-K for more information), we issued 18,518,520 warrants (the "Initial Warrants") at an exercise price of \$2.16 per share and, with the issuance of the Additional Notes on July 6, 2023, we issued an additional 7,407,407 warrants at an exercise price of \$2.16 per share to purchase shares of our common stock to certain of the purchasers thereof (the "Additional Warrants" and, together with the Initial Warrants, the "Debt Warrants"). The Debt Warrants will expire at 5:00 p.m., New York time, on June 1, 2027. As of December 31, 2024, 10,986,533 Debt Warrants were outstanding. Sales of substantial numbers of shares of our common stock underlying the Debt Warrants in the public market will dilute existing stockholders, may reduce the book value of existing shares of common stock and could depress the market price of our common stock.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.***

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

**Item 1B. Unresolved Staff Comments.**

Not applicable.

**Item 1C. Cybersecurity.**

We are increasingly dependent on sophisticated software applications and computing infrastructure to conduct key operations. We depend on both our own systems, networks, and technology as well as the systems, networks and technology of our contractors, consultants, vendors and other business partners.

***Cybersecurity Program***

Given the importance of cybersecurity to our business, we maintain a robust cybersecurity program to support both the effectiveness of our systems and our preparedness for information security risks. This program includes several safeguards, such as: password protection; multi-factor authentication; code security standards; continuous monitoring and alerting systems for internal and external threats using industry leading platforms; regular evaluations of our cybersecurity program, including periodic internal and external audits, penetration tests, and incident response simulations; and industry benchmarking. We also require cybersecurity trainings when onboarding new employees and contractors, as well as annual cybersecurity awareness training for our employees and contractors. Our program leverages industry frameworks, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF) to strengthen our program effectiveness and reduce cybersecurity risks.

We use a risk-based approach with respect to our use and oversight of third-party service providers, tailoring processes according to the nature and sensitivity of the data accessed, processed, or stored by such third-party service provider and performing additional risk screenings and procedures, as appropriate. We use several means to assess cyber risks related to our third-party service providers, including maintaining a vendor code of conduct and vendor questionnaires, conducting due diligence in connection with onboarding new vendors and annual due diligence with key third-party vendors. We also seek to collect and assess cybersecurity audit reports and other supporting documentation when available and include appropriate security terms in our contracts where applicable as part of our oversight of third-party providers.

***Process for Assessing, Identifying and Managing Material Risks from Cybersecurity Threats***

In the event of a cybersecurity incident, we maintain a regularly tested incident response program. Pursuant to the program and its escalation protocols, designated personnel are responsible for assessing the severity of an incident and associated threat, containing the threat, remediating the threat, including recovery of data and access to systems, analyzing any reporting obligations associated with the incident, and performing post-incident analysis and program enhancements. We maintain an Incident Response Plan (“IRP”) and business continuity and disaster recovery plans in the event of a significant cybersecurity incident.

We have relationships with several third-party service providers to assist with cybersecurity containment and remediation efforts, including a forensic investigation firm, insurance providers and various law firms.

***Governance******Management Oversight***

The controls and processes employed to assess, identify, and manage material risks from cybersecurity threats are implemented and overseen by our Chief Information Security Officer (“CISO”). Our CISO leverages their over 20 years of experience in cybersecurity, compliance and risk management. Our CISO is responsible for the day-to-day management of the cybersecurity program, including the prevention, detection, investigation, response to, and recovery from cybersecurity threats and incidents, and are regularly engaged to help ensure the cybersecurity program functions effectively in the face of evolving cybersecurity threats. The CISO provides quarterly briefings for our senior management team on cybersecurity matters, including threats, events, and program enhancements.

## *Board Oversight*

While the Board has overall responsibility for risk oversight, our Audit Committee oversees cybersecurity risk matters. The Audit Committee is responsible for reviewing, discussing with management, and overseeing the Company's data privacy, information technology and security and cybersecurity risk exposures, including: (i) the potential impact of those exposures on the Company's business, financial results, operations and reputation; (ii) the programs and steps implemented by management to monitor and mitigate any exposures; (iii) the Company's information governance and cybersecurity policies and programs; and (iv) major legislative and regulatory developments that could materially impact the Company's privacy, data security and cybersecurity risk exposure. On a quarterly basis, the CISO reports to the Audit Committee on cybersecurity matters, including a detailed threat assessment relating to information technology risks, the programs and steps implemented by management to monitor and mitigate exposures, the Company's information governance and cybersecurity policies and programs, and significant legal/regulatory developments that could materially impact the Company's cybersecurity risk exposure. The CISO also apprises the Audit Committee of cybersecurity incidents promptly for high priority incidents and in aggregate for low priority incidents. The Audit Committee updates the full Board annually concerning the Company's cybersecurity matters.

## **Cybersecurity Risks**

Our cybersecurity risk management processes are integrated into our overall Enterprise Risk Management ("ERM") process. As part of our ERM process, department leaders identify, assess and evaluate risks impacting our operations across the Company, including those risks related to cybersecurity.

While we maintain a robust cybersecurity program, the techniques used to infiltrate information technology systems continue to evolve. Accordingly, we may not be able to timely detect threats or anticipate and implement adequate security measures. For additional information, see "Item 1A—Risk Factors."

We also maintain cybersecurity insurance providing coverage for certain costs related to cybersecurity-related incidents that impact our own systems, networks, and technology or the systems, networks and technology of our contractors, consultants, vendors, and other business partners.

As of December 31, 2024, we have not experienced any material risks from cybersecurity threats, including as a result of any previous cybersecurity incidents or threats, that have materially affected our business strategy, results of operations or financial condition or are reasonably likely to have such a material effect.

## **Item 2. Properties.**

We maintain a distributed workforce with facilities in Reston, Virginia, Santa Clara, California, Puteaux, France, Noida, India and Bangalore, India. Our principle executive office is in Reston, Virginia. Our corporate offices in Virginia include executive, finance, and regulatory functions, while our California facility hosts our operations and technology development, among other functions. Our French and Indian locations are focused on software development and research and development functions.

## **Item 3. Legal Proceedings.**

In the course of our business, we are involved in litigation and legal matters from time to time. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. We accrue liabilities for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. We do not believe that any such matters, individually or in the aggregate, will have a material adverse effect on our business, financial condition, results of operations, or cash flows.

## **Item 4. Mine Safety Disclosures.**

Not applicable.

## **PART II**

### **Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

#### **Market Information**

Our common stock and certain warrants have been listed on The Nasdaq Capital Market (“Nasdaq”) under the symbol “NN” and “NNAVW,” respectively.

#### **Holders**

As of March 7, 2025, there were approximately 99 and 7 holders of record of our common stock and warrants, respectively. This number does not include beneficial owners whose shares were held in street name.

#### **Dividends**

We have never declared or paid, and for the foreseeable future do not expect to declare or pay, cash dividends on our common stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business.

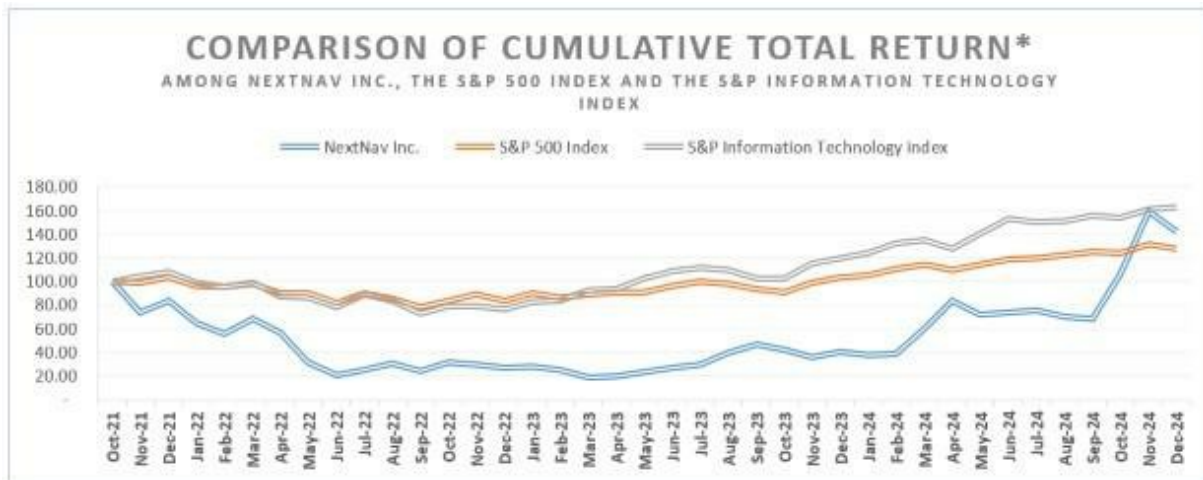
#### **Securities Authorized for Issuance under Equity Compensation Plans**

The information required by this item regarding our equity compensation plans is incorporated herein by reference to Item 12 of Part III of this Annual Report on Form 10-K.

#### **Stock Performance Graph**

The following stock price performance graph should not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”), except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

The graph below compares the cumulative total return of our common stock from October 29, 2021, the date on which our common shares commenced trading on Nasdaq, through December 31, 2024, with the comparable cumulative return of two indices, the S&P 500 Total Return and the S&P Information Technology Total Return. The performance graph and table assume an initial investment of \$100 on October 29, 2021. We have not paid any cash dividends and, therefore, the cumulative total return calculation for us is based solely upon the change in share price. The share price performance shown on the graph is not necessarily indicative of future price performance.



### Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

On November 15, 2024, we issued 620,106 shares of our common stock in accordance with that certain Asset Purchase Agreement (as defined in Note 3 in the notes to the consolidated financial statements below), dated March 7, 2024, by and among us and the parties thereto, as part of the consideration pursuant thereto. Such shares were exempt from registration under the Securities Act in compliance with Section 4(a) (2) under the Securities Act and/or Rule 506 of Regulation D promulgated thereunder. We filed a registration statement on Form S-3 to register these shares with the SEC on November 22, 2024, which was declared effective on November 26, 2024, in order to satisfy the provisions of that certain Resale Registration Rights Agreement, dated March 7, 2024, pursuant to which we agreed to register the resale of such shares.

On December 1, 2024, we issued 114,449 shares of our common stock in accordance with that certain Indenture, dated May 9, 2023, by and among us and the parties thereto, as partial payment of interest due on the senior secured notes that were issued pursuant to that certain Note Purchase Agreement, dated May 9, 2023, by and among us the purchasers thereto. Such shares were exempt from registration under the Securities Act as not involving a “sale” as such term is defined in Section 2(a)(3) of the Securities Act. We filed a registration statement on Form S-3 to register these shares with the SEC on December 13, 2024, which was declared effective on December 18, 2024, in order to satisfy the provisions of that certain Resale Registration Rights Agreement, dated May 9, 2023, pursuant to which we agreed to register the resale of such shares.

### Purchases of Equity Securities by the Issuer

None.

### Item 6. Reserved.

### Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes thereto and other financial information included elsewhere in this Annual Report on Form 10-K. In addition to historical information, some of the information contained in the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Forward-looking statements reflect management’s current expectations and are inherently uncertain. Actual results and outcomes could differ materially for a variety of reasons. You should review “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors” of this Annual Report on Form 10-K for a discussion of important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

## Overview

We are the market leader in delivering resilient, next generation, complementary positioning, navigation and timing (“PNT”) solutions designed to overcome the limitations and vulnerabilities of the existing space-based Global Positioning System (“GPS”) and Global Navigation Satellite Systems (“GNSS”). We are evolving our complementary PNT solutions to use 5G New Radio (“5G NR”) technologies (“NextGen”), in conjunction with our Petition for Rulemaking filed with the FCC, to update and reconfigure the Lower 900 MHz band and our spectrum licenses. We expect the evolution of our platform to NextGen will significantly improve the efficiency, flexibility, and scale of our operations, technically enabling the delivery of high-quality PNT based on a 5G broadband network. Our NextGen solution is being designed to allow one or more partners to integrate our Lower 900 MHz spectrum into their 5G networks. We expect that this will result in wide-scale availability of both complementary PNT services and additional broadband capacity.

Our complementary PNT solutions are built on a deep asset base, including valuable FCC licenses. Our licenses include a contiguous 8 MHz block of 900 MHz M-LMS spectrum covering over 90% of the U.S. population, and on March 7, 2024, we signed an agreement, subject to appropriate regulatory approvals, to acquire an additional 4 MHz of M-LMS licenses covering part of the U.S. population. On April 16, 2024, we petitioned the FCC to commence a rule making to reconfigure and update the rules governing the Lower 900 MHz band plan to allow us to utilize a 15 MHz nationwide configuration for both PNT and 5G broadband (“Petition”). The Petition is subject to an ongoing FCC regulatory review process. We believe that modernizing the Lower 900 MHz band will simultaneously enable a high-quality terrestrial PNT network to complement and back up GPS, address a critical national security vulnerability, and add 5G broadband capacity. We have been granted more than 145 patents related to our systems and services, and standardized certain of our technologies with the 3rd Generation Partnership Project (3GPP), a global telecommunications standards-setting body.

The impact of GPS on the U.S. economy was nearly \$1.4 trillion in the aggregate between 1984 and 2017, according to data from a National Institute of Standards and Technology (“NIST”)-sponsored study conducted by RTI International (“RTI”), and the European Commission estimated the annual impact on the economy of the European Union in its 2018 budget process as EUR1.2 trillion. The usage of GPS services is also rapidly expanding, with its presence in devices in the U.S. increasing from 600 million devices to 900 million devices between 2015 and 2019, according to information presented to the National Space-Based PNT Advisory Board by the National Coordination Office for Space-Based PNT. PNT resiliency is a priority of the U.S. Federal Government and is rising in priority in the European Union, non-European Union countries in Eastern Europe and in other parts of the world due to both the demonstrated vulnerability and lack of local control of space-based signals and systems. Critical infrastructure, including communications networks and power grids, require a reliable GPS signal for accurate timing. A failure of GPS could be catastrophic, and there is no comprehensive, terrestrial backup that is widely deployed today. The Department of Homeland Security has also classified the PNT vulnerabilities from GPS as cyber security threats, and the U.S. Department of Transportation (“DoT”) has also outlined a Complementary PNT Action Plan, among other key federal initiatives. Higher performance and availability will continue to expand the reach and value of PNT solutions, while terrestrial resilience is essential to protect the vast economic activity that is reliant on GPS.

Simultaneously, demand for wireless data services continues to grow. The backbone of wireless data services, electromagnetic spectrum, is a finite resource. Our spectrum licenses, which lie in the Lower 900 MHz band, are referred to as “low-band spectrum.” There is a finite amount of low-band spectrum available, and low-band spectrum has favorable coverage characteristics compared to higher frequencies, including the ability to provide services indoors and over greater distances. These characteristics result in its ability to be used for coverage and to be deployed more economically, with higher-frequency spectrum often used to provide additional capacity in targeted locations. The transition to 5G NR for our PNT services will provide a technical capability to support broadband data services, which, subject to appropriate regulatory approvals, may allow the spectrum to be utilized to help meet the continued, growing demand for wireless data capacity.

As we evolve our technology platform to NextGen and pursue regulatory changes to the Lower 900 MHz band and our spectrum licenses, we continue to deliver high-quality PNT services through our Pinnacle and TerraPoiNT solutions. Our Pinnacle solution, launched in partnership with AT&T Services, Inc. (“AT&T”) as part of its FirstNet<sup>®</sup> initiative, can provide accurate altitude service to any device with a barometric pressure sensor and covers over 90% of commercial structures over three stories in the U.S. Our Pinnacle system is primarily used for public safety applications, including enhanced 911 (“E911”) for Verizon Communications, Inc. (“Verizon”), and a growing number of devices operating on the remaining national cellular network providers.

Our TerraPoiNT system is a terrestrially based dedicated, complementary PNT network designed to overcome the limitations inherent in the space-based nature of GPS. GPS is a faint, unencrypted signal, which is often unavailable indoors, distorted in urban areas, and vulnerable to both jamming and spoofing. TerraPoiNT overcomes these limitations through a network of wide-area location transmitters that broadcast a PNT signal on our licensed Lower 900 MHz M-LMS spectrum. Unlike GPS, the TerraPoiNT signal can be reliably received indoors and in urban areas, is difficult to jam or spoof compared to GPS, and can support signal authentication (e.g., encryption). Further, the TerraPoiNT signal can embed Pinnacle information to provide a full three-dimensional PNT solution. TerraPoiNT received the highest scores in testing by the DoT reported in 2021 regarding potential PNT backup solutions, in each category tested, and was the only solution evaluated capable of providing the full set of services provided by GPS. Continuing our engagement with the DoT, in 2024 we were awarded a contract to establish performance characteristics for TerraPoiNT to allow DoT to incorporate our solutions into a clearinghouse of solutions defined in the DoT Complementary PNT Action Plan, for potential use by Federal government customers.

## **Key Components of Results of Operations**

### *Revenue*

We have generated limited revenue since our inception. We derive our revenue from PNT products and services. Our revenue includes revenue generated through services contracts with wireless carriers, services with applications developers, technology demonstration, assessment and support contracts with government customers, sales of equipment, and licensing of proprietary technology. We recognize revenue when an arrangement exists, services, equipment or access to licensed technology are delivered, the transaction price is determined, the arrangement has commercial substance, and collection of consideration is probable.

### *Operating Expense*

#### ***Cost of Goods Sold***

Cost of goods sold (“COGS”) consist of personnel-related expenses, including salaries, benefits and stock-based compensation, and allocated facility costs for our operations and manufacturing teams. COGS also includes expenses for site leases, cost of equipment, software license costs, including cloud hosting costs, and professional services related to the maintenance of the equipment at each leased site. Our COGS may increase for the foreseeable future as we continue to invest in our PNT technologies in domestic U.S. and international markets.

#### ***Research and Development***

Research and development expenses consist of personnel-related expenses, including salaries, benefits and stock-based compensation, and allocated facility costs for our research and development functions. Research and development costs also include outside professional services for software and hardware development, and software license costs, including cloud hosting costs. We expect our research and development costs to increase for the foreseeable future as we continue to invest in research and development for our current and future products including our NextGen platform.

#### ***Selling, General and Administrative***

Selling, general and administrative expenses consist of personnel-related expenses, including salaries, benefits and stock-based compensation, and allocated facility costs for our business development, marketing, corporate, executive, finance, legal, human resources, IT and other administrative functions. Selling, general and administrative expenses also include expenses for outside professional services, including legal, auditing and accounting services, recruitment expenses, travel expenses and certain non-income taxes, insurance and other administrative expenses.

We expect our selling, general and administrative expenses to increase for the foreseeable future with the growth of our business, in pursuit of regulatory and technology initiatives, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, and additional insurance expenses, investor relations activities, and other administrative and professional services.

### ***Depreciation and Amortization***

Depreciation and amortization expense results from depreciation and amortization of our property and equipment and intangible assets that is recognized over their estimated useful lives.

### ***Interest Income (Expense)***

Interest income consists of interest earned from our cash and cash equivalents balance and on marketable securities. Interest expense relates to interest and amortization of debt discounts on our senior secured notes.

### ***Other Income (Expense)***

Other income (expense) consists of miscellaneous non-operating items, such as change in fair value of warrants and Asset Purchase Agreement liability, equity method income (loss), and foreign currency gains (losses).

## **Results of Operations**

The following table sets forth our statements of operations for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Revenue	\$ 5,669	\$ 3,862
Operating Expense:		
Cost of goods sold <sup>(1)</sup>	10,777	12,743
Research and development <sup>(1)</sup>	16,242	19,503
Selling, general and administrative <sup>(1)</sup>	33,510	30,324
Depreciation and amortization	5,238	4,821
Total operating expenses	65,767	67,391
Operating loss	(60,098)	(63,529)
Interest expense, net	(9,401)	(3,664)
Other expense	(32,207)	(4,321)
Loss before income taxes	(101,706)	(71,514)
Provision for income taxes	173	221
Net loss	\$ (101,879)	\$ (71,735)

- (1) Cost of goods sold, research and development, and selling, general and administrative expense for the periods do not include depreciation and amortization, which is presented separately in the Consolidated Statements of Comprehensive Loss, but include stock-based compensation as follows:



	Year Ended December 31,	
	2024	2023
	(in thousands)	
Cost of goods sold	\$ 729	\$ 2,318
Research and development	4,106	6,655
Selling, general and administrative	9,021	12,865
Total stock-based compensation expense	\$ 13,856	\$ 21,838

### Comparison of the Fiscal Years Ended December 31, 2024 and 2023

#### Revenue

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
	(in thousands)			
Revenue	\$ 5,669	\$ 3,862	\$ 1,807	46.8%

Revenue increased by \$1.8 million, or 47%, to \$5.7 million for the year ended December 31, 2024 from \$3.9 million for the year ended December 31, 2023. The increase was driven by an increase in service revenue from technology and services contracts with government and commercial customers. For the year ended December 31, 2024, three customers accounted for 57%, 18% and 11% of total revenue. For the year ended December 31, 2023, two customers accounted for 75% and 10% of total revenue. Accounts receivable as of December 31, 2024 and December 31, 2023 were \$3.3 million and \$2.3 million, respectively; the deferred revenue balance as of December 31, 2024 and December 31, 2023 was \$0.3 million.

#### Operating Expense

##### Cost of Goods Sold (COGS)

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
	(in thousands)			
COGS	\$ 10,777	\$ 12,743	\$ (1,966)	(15.4)%

COGS decreased by \$2.0 million, or 15%, to \$10.8 million for the year ended December 31, 2024 from \$12.7 million for the year ended December 31, 2023. The decrease was primarily driven by a \$1.6 million decrease in stock-based compensation, a \$0.4 million decrease in software license expenses, a \$0.3 million decrease in outside consulting expenses, and a \$0.3 million decrease in maintenance and operational cost. The decreases were partially offset by a \$0.3 million increase in payroll-related expenses, a \$0.2 million increase in site rent expense due to deployment of new sites in second and third quarter of 2023, and a \$0.1 million increase in non-recurring engineering services.

##### Research and Development

	Year Ended December 31,			
	2024	2023	\$ Change	% Change
	(in thousands)			
Research and development	\$ 16,242	\$ 19,503	\$ (3,261)	(16.7)%

Research and development expenses decreased by \$3.3 million, or 17%, to \$16.2 million for the year ended December 31, 2024 from \$19.5 million for the year ended December 31, 2023. The decrease was primarily driven by a \$2.5 million decrease in stock based compensation, a \$0.7 million decrease in software license expenses, a \$0.4 million decrease in outside consulting expenses, a \$0.2 million decrease in maintenance and operational cost, and a \$0.1 million decrease in professional fee. The decreases were partially offset by a \$0.6 million increase in payroll-related expenses.

### ***Selling, General and Administrative***

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Selling, general and administrative	\$ 33,510	\$ 30,324	\$ 3,186	10.5%

Selling, general and administrative expenses increased by \$3.2 million, or 11%, to \$33.5 million during the year ended December 31, 2024 from \$30.3 million in the year ended December 31, 2023. The increase was primarily driven by a \$3.0 million increase in professional services, a \$3.0 million increase in payroll-related expenses driven by headcount costs, executive and employment separation costs, a \$1.0 million increase in outside consulting expenses, a \$0.5 million increase in other operational expenses, and a \$0.3 million increase in marketing and recruiting cost. The increases were partially offset by a \$3.8 million decrease in stock-based compensation and a \$0.8 million decrease in directors' and officers' insurance.

### ***Depreciation and Amortization***

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Depreciation and amortization	\$ 5,238	\$ 4,821	\$ 417	8.6%

Depreciation and amortization expenses increased by \$0.4 million, or 9%, to \$5.2 million during the year ended December 31, 2024 from \$4.8 million during the year ended December 31, 2023. The increase in depreciation and amortization expense is primarily attributable to placing the network assets in service since the third quarter of 2023.

### ***Interest Expense, Net***

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Interest expense, net	\$ (9,401)	\$ (3,664)	\$ (5,737)	156.6%

Interest expense, net of interest income, for the year ended December 31, 2024 was \$9.4 million. Interest expense, net of interest income, for the year ended December 31, 2023 was \$3.7 million. The increase in interest expense was due to interest and amortization of debt discounts on our senior secured notes issued during the second and third quarters of 2023.

### ***Other Expense***

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Other expense	\$ (32,207)	\$ (4,321)	\$ (27,886)	645.4%

Other expense was \$32.2 million for the year ended December 31, 2024 compared with other expense of \$4.3 million for the year ended December 31, 2023. The increase was primarily driven by a \$29.1 million increase in expense related to change in the fair value of warrants, partially offset by \$1.0 million of income related to the settlement of the Asset Purchase Agreement liability.

## Liquidity and Capital Resources

We have incurred net losses since our inception and to date have generated only limited revenue. We have primarily relied upon debt and equity financings to fund our cash requirements. During each of the twelve months ended December 31, 2024 and 2023, we incurred net losses of \$101.9 million and \$71.7 million, respectively. During each of the twelve months ended December 31, 2024, our net cash used in operating activities and cash provided by investing activities was \$38.0 million and \$39.5 million, respectively. During the twelve months ended December 31, 2023, our net cash used in operating activities and investing activities was \$35.4 million and \$1.1 million, respectively. As of December 31, 2024, we had cash and cash equivalents and marketable securities of \$80.1 million and an accumulated deficit of \$862.1 million. We expect to incur additional losses and higher operating expenses for the foreseeable future. Our primary uses of cash are to fund our operations as we continue to grow our business. We will require a significant amount of cash for expenditures as we invest in ongoing research and development and our PNT networks.

Managing liquidity and our cash position is a priority of ours. We continually work to optimize our expenses in light of the growth of our business, and adapt to changes in the economic environment. We believe that our cash and cash equivalents and marketable securities as of December 31, 2024 will be sufficient to meet our working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months from the filing of this Annual report on Form 10-K. We believe we will meet longer term expected future cash requirements and obligations through a combination of our existing cash and cash equivalents balances and marketable securities, cash flows from operations, and issuance of equity securities or debt offerings. However, this determination is based upon internal financial projections and is subject to changes in market and business conditions.

In 2023, we issued \$70.0 million in aggregate principal amount of senior secured notes with a fixed interest rate of 10% to the lenders thereto. Such notes will mature on December 1, 2026 with interest payable semi-annually in arrears on June 1 and December 1 of each year. We may elect, at our sole discretion, to pay up to 50% of the accrued and unpaid interest on the senior secured notes due with our common stock. Refer to Note 8 to our consolidated financial statements for the twelve months ended December 31, 2024 included elsewhere in this Annual Report on Form 10-K for more information.

### Cash Flows

The following table summarizes our cash flows for the period indicated:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Net cash used in operating activities	\$ (38,008)	\$ (35,440)
Net cash provided (used in) investing activities	(39,467)	1,074
Net cash provided by financing activities	35,103	68,984

#### *Cash Flows from Operating Activities*

Our cash flows used in operating activities are significantly affected by the growth of our business primarily related to research and development, sales and marketing, and selling, general and administrative activities. Our operating cash flows are also affected by our working capital needs to support growth in personnel-related expenditures and fluctuations in accounts payable and other current assets and liabilities.

Net cash used in operating activities during 2024 was \$38.0 million, resulting primarily from a net loss of \$101.9 million adjusted for non-cash charges of \$13.9 million for stock-based compensation, \$33.2 million for change in the fair value of warrant liability, \$6.2 million in amortization of debt issuance costs, \$5.2 million for depreciation and amortization, \$0.2 million for equity method investment loss, and \$0.1 million in asset retirement obligations accretion expense. These changes were partially offset by a net increase in operating liabilities of \$7.0 million, non-cash income of \$1.0 million for change in fair value of Asset Purchase Agreement liability, and \$0.9 million realized and unrealized gain on marketable securities.

Net cash used in operating activities during 2023 was \$35.4 million, resulting primarily from a net loss of \$71.7 million adjusted for non-cash charges of \$21.8 million for stock-based compensation, \$4.8 million for depreciation and amortization, \$4.1 million for change in the fair value of warrant liability, \$3.2 million in amortization of debt issuance costs, \$0.5 million realized and unrealized gain on marketable securities, \$0.2 million for equity method investment loss, and \$0.1 million in asset retirement obligations accretion expense. Additionally, there was a net increase in operating liabilities of \$2.7 million.

### *Cash Flows from Investing Activities*

Net cash provided by investing activities during 2024 was \$39.5 million, representing net purchase of marketable securities of \$35.9 million, and cash used for Asset Purchase Agreement of \$2.7 million and cash used for property and equipment, including internal use software of \$0.8 million.

Net cash provided by investing activities during 2023 was \$1.1 million, representing sale and of maturity of marketable securities, net of purchase of marketable securities, and cash used for addition in property and equipment primarily related to the deployment of the TerraPoiNT network and internal use software.

### *Cash Flows from Financing Activities*

Net cash provided by financing activities during 2024 was \$35.1 million, primarily reflecting cash proceeds from exercise of warrants and stock options.

Net cash provided by financing activities during 2023 was \$69.0 million, primarily reflecting cash proceeds from issuance of senior secured notes, net of debt issuance cost.

### **Critical Accounting Estimates**

Our discussion and analysis of our financial condition and results of operations are based on our Consolidated Financial Statements, which have been prepared in accordance with U.S. Generally Accepted Accounting Principles. In doing such preparation, we have to make estimates and assumptions. Our critical accounting estimates are those estimates that involve a significant level of uncertainty at the time the estimate was made, and changes in them have had or are reasonably likely to have a material effect on our financial condition or results of operations. Accordingly, actual results could differ materially from our estimates. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis.

See Note 2 of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a summary of significant accounting policies and the effect on our financial statements.

### **Revenue Recognition**

We derive our revenue from PNT technology, products and services including revenue generated through technology demonstration and assessment contracts with customers, support services provided to customers, sales of equipment, and licensing of proprietary technology.

We recognize revenue when an arrangement exists, services, equipment or access to licensed technology are delivered, the transaction price is determined, the arrangement has commercial substance, payment terms are determined and collection of consideration is probable.

We sell software licenses and services through arrangements that may bundle software, equipment, and other services. When we determine that we have separate distinct performance obligations, we allocate the bundled contract price among the various performance obligations based on each deliverable's stand-alone selling price. If the stand-alone selling price is not directly observable, we estimate the amount to be allocated for each performance obligation based on observable market transactions. When we determine the performance obligations are not distinct, we recognize revenue on a combined basis as the obligation is satisfied. To the extent our contracts include variable consideration, the transaction price includes both fixed and variable consideration. The variable consideration contained within our contracts with customers may include discounts, credits and other similar items. When a contract includes variable consideration, we evaluate the estimate of the variable consideration to determine whether the estimate needs to be constrained; therefore, we include the variable consideration in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

We recognize equipment sales and the related costs when control of the equipment passes to the customer, typically upon shipment. Customers do not have rights of return without our prior consent. Revenue pursuant to licensing agreements for our technology represents performance obligations that are satisfied over time. We recognize support services ratably over the periods in which the services are provided; the related costs are expensed as incurred.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables, and deferred revenue on the Consolidated Balance Sheets. We bill amounts under our agreed-upon contractual terms at periodic intervals for services, upon shipment for equipment, or upon achievement of contractual milestones or as work progresses. Billing may occur subsequent to revenue recognition, resulting in accounts receivable. We may also receive payments from customers before revenue is recognized, resulting in deferred revenue.

### **Indefinite-lived Intangible Assets**

We hold wireless Multilateration LMS licenses. Certain general regulatory requirements apply to all licensed wireless spectrum, including, for example, certain build-out or “substantial service” requirements, which generally must be satisfied as a condition to the retention of the license. We are actively engaged in either meeting such requirements currently or seeking an extension of such requirements from the FCC for each of our LMS licenses. Although licenses are issued for only a fixed time, ten years, such licenses are subject to renewal by the FCC, based on the achievement of certain milestones and a finding that such renewal would serve the public interest. Renewal of our licenses has occurred previously and at nominal cost. As a result, we treat our wireless LMS spectrum licenses as an indefinite-lived intangible asset. We reevaluate the useful life determination for wireless licenses each year to determine whether events and circumstances continue to support an indefinite useful life. Costs incurred to maintain the FCC licenses are recorded in operating expenses.

We assess indefinite-lived intangible assets for potential impairment annually as of October 1, or during the year if an event or other circumstance indicates that we may not be able to recover the carrying amount of the asset. In evaluating indefinite-lived intangible assets for impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of the asset is less than its carrying amount. If we conclude that it is not more likely than not that the fair value of the asset is less than its carrying value, then no further testing is required. However, if we conclude that it is more likely than not that the fair value of the asset is less than its carrying value, then we perform a two-step impairment test to identify potential impairment and measures the amount of impairment we will recognize, if any.

### **Goodwill**

Goodwill is tested for impairment annually in the fourth quarter or more frequently if events or changes in circumstances indicate that the asset may be impaired. The Company operates as one reporting unit. When testing goodwill for impairment, the Company may first perform an optional qualitative assessment. If the Company determines it is not more likely than not the reporting unit’s fair value is less than its carrying value, then no further analysis is necessary. If the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying amount, then the quantitative impairment test will be performed. Under the quantitative impairment test, if the carrying amount of the Company’s reporting unit exceeds its fair value, the Company will recognize an impairment loss in an amount equal to that excess but limited to the total amount of goodwill.

### **Long-term debt**

In conjunction with the issuance of senior secured notes in May and July of 2023, we issued warrants to certain of the purchasers thereto. We allocated the proceeds from the debt issuance to long term debt and equity classified warrants based on relative fair value as determined by the Discounted Cash Flow approach and Monte Carlo simulation model, respectively. The portion of proceeds allocated to equity-classified warrants and direct debt issuance costs are classified as debt discounts. The carrying value of long term debt in the Company’s consolidated balance sheet consists of principal amount of debt, net of debt discounts. Debt discounts are amortized to interest expense based on the related debt agreements primarily using the effective interest method.

## Recently Issued and Adopted Accounting Standards

For information regarding new accounting pronouncements, and the impact of these pronouncements on our consolidated financial statements, if any, refer to Note 2 to our consolidated financial statements for the year ended December 31, 2024 included elsewhere in this Annual Report on Form 10-K.

## Emerging Growth Company Status

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. Spartacus previously elected to avail itself of the extended transition period, and following the consummation of the Business Combination, we became an emerging growth company (for the period described in the immediately succeeding paragraph) and will continue to take advantage of the benefits of the extended transition period emerging growth company status permits. During the extended transition period, it may be difficult or impossible to compare our financial results with the financial results of another public company that complies with public company effective dates for accounting standard updates because of the potential differences in accounting standards used.

We will remain an emerging growth company under the JOBS Act until the earliest of (a) December 31, 2025, (b) the last date of our fiscal year in which we have total annual gross revenue of at least \$1.235 billion, (c) the date on which we are deemed to be a “large accelerated filer” under the rules of the SEC or (d) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the previous three years.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

### *Interest Rate Risk*

We had cash and cash equivalents and short-term marketable securities of \$80.1 million as of December 31, 2024, which are held for working capital purposes. Our exposure to market risk for changes in interest rates relates primarily to our cash and investments in marketable securities, which consisted of U.S. Government, Agency and money market funds. The fair values of our investments in U.S. Government and Agency Bonds will generally fluctuate with movements of interest rates, increasing in periods of declining rates of interest and declining in periods of increasing rates of interest. Due to the short-term nature of these instruments, we believe that we do not have any material exposure to changes in the fair value due to changes in interest rates. The effect of a hypothetical 10% change in interest rates would not have a material impact on our consolidated financial statements.

As of December 31, 2024, we had long-term debt of \$54.6 million, net of debt issuance cost and discount. The debt has a fixed interest rate of 10% per annum. Therefore, fluctuations in interest rates do not impact our consolidated financial statements. See Note 8 — Long-term debt, net for additional information.

### *Concentration of Credit Risk*

We deposit our cash with financial institutions, and, at times, such balances may exceed federally insured limits. Management believes the financial institutions that hold our cash and cash equivalents are financially sound and, accordingly, minimal credit risk exists with respect to cash and cash equivalents. In addition, we seek to minimize our exposure to banking risk by limiting the amount of uninsured deposits and investing our excess cash in U.S. government and government agency bonds, and money market funds.

### *Effects of Inflation and Supply Chain*

While inflation and supply chain challenges may impact our revenue and cost of services, we believe the effects of inflation and supply chain challenges on our results of operations and financial condition have not been significant to date. However, there can be no assurance that our results of operations and financial condition will not be materially impacted by inflation or supply chain challenges in the future.

## **Item 8. Financial Statements and Supplementary Data.**

Our consolidated financial statements, together with the report of our independent registered public accounting firm, appear in the Index to Financial Statements beginning on page F-1 of this Annual Report on Form 10-K.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

There has been no change of accountants nor any disagreements with accountants on any matter of accounting principles or practices or financial disclosure required to be reported under this Item.

### **Item 9A. Controls and Procedures.**

#### **Disclosure Controls and Procedures**

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2024. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective as of December 31, 2024.

#### **Management Report on Internal Control Over Financial Reporting; Attestation Report of Registered Public Accounting Firm**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2024 based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of this assessment, management concluded that, as of December 31, 2024, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

This Annual Report on Form 10-K does not include an attestation report of internal controls from the Company's independent registered public accounting firm due to a transition period established by the rules of the SEC as a result of the Company's status as an emerging growth company.

#### **Changes in Internal Control over Financial Reporting**

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

## Item 9B. Other Information.

### *Trading Plans*

On November 19, 2024, Robert Lantz, former Senior Vice President, General Counsel and Secretary, terminated a “Rule 10b5-1 trading arrangement” (as defined in Item 408 of Regulation S-K) intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a “10b5-1 trading plan”) that was previously adopted on August 14, 2024.

On November 21, 2024, Robert Lantz, former Senior Vice President, General Counsel and Secretary, adopted a 10b5-1 trading plan. This 10b5-1 trading plan provides for the potential sale of 40% of the gross shares of common stock to be issued to Mr. Lantz upon the vesting and settlement of his restricted stock units (“RSUs”) with vesting dates of February 1, 2025, March 15, 2025, May 1, 2025, June 15, 2025, August 1, 2025, September 15, 2025, November 1, 2025 and December 15, 2025. The aggregate number of shares of common stock that will be available for sale under this 10b5-1 plan after vesting and settlement of his RSUs is 24,346 shares. Pursuant to its terms, this 10b5-1 trading plan is expected to remain in place until the earlier of (i) December 31, 2025 and (ii) the date on which all transactions under such plan are completed.

On December 23, 2024, Dr. Sanyogita Shamsunder, former Chief Operating Officer, adopted a 10b5-1 trading plan. This 10b5-1 trading plan provides for the potential sale of 75% of the gross shares of common stock to be issued to Dr. Shamsunder upon the vesting and settlement of her RSUs with a vesting date of May 9, 2025 and 45% of the gross shares of common stock to be issued to her upon the vesting and settlement of her RSUs with vesting dates of August 9, 2025 and November 9, 2025. The aggregate number of shares of common stock that will be available for sale under this 10b5-1 plan after vesting and settlement of her RSUs is 36,226 shares. Pursuant to its terms, this 10b5-1 trading plan is expected to remain in place until the earlier of (i) December 31, 2025 and (ii) the date on which all transactions under such plan are completed.

No other officers (as defined in Rule 16a-1(f) of the Exchange Act) or directors adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (as such terms are defined in Item 408 of Regulation S-K) during the fiscal quarter ended December 31, 2024.

### *Chief Operating Officer Transition*

On March 11, 2025, the Board appointed Susan Insley as our Chief Operating Officer, effective immediately. Prior to such appointment, Ms. Insley served as our Executive Vice President and Chief People Officer since September 2024.

Ms. Insley, age 57, is a results-driven leader with a proven track record of driving business growth by aligning people strategies with corporate objectives and implementing innovative practices to develop talent and inspire teams. With career-spanning leadership roles in Human Resources and Finance, Ms. Insley has contributed to the success of industry leaders such as Intel, Verisign, and VMware. As senior Vice President of Human Resources at VMware from February 2016 to January 2024, she spearheaded transformative talent strategies and guided executive leadership through critical organizational transitions. Beyond her professional achievements, Ms. Insley is deeply committed to making a difference. She serves on the board of Team Telomere, a non-profit organization dedicated to supporting individuals affected by Telomere Biology Disorders and advancing research toward a cure. Ms. Insley received her bachelor’s degree in finance from the University of Georgia and earned professional certifications in Internal Audit and Risk Management Assurance.

Ms. Insley’s compensation arrangements have not been changed as a result of her new role as Chief Operating Officer.

There are no arrangements or understandings between Ms. Insley and any other persons pursuant to which Ms. Insley was selected to be Chief Operating Officer. There are no family relationships between Ms. Insley and any of our directors or executive officers, and Ms. Insley has no direct or indirect interest in any transaction or proposed transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Also on March 11, 2025, Sanyogita Shamsunder transitioned to the role of Chief Innovation Officer. Prior to such transition, Dr. Shamsunder served as our Chief Operating Officer.

## Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not Applicable.



## PART III

### Item 10. Directors, Executive Officers and Corporate Governance.

#### Code of Conduct and Ethics

Our Board has adopted a written Code of Conduct and Ethics (the “Code of Conduct”) applicable to our and our subsidiaries’ directors, officers and employees (each, a “Covered Person”). The Code of Conduct covers fundamental ethical and compliance-related principles and practices such as accurate accounting records and financial reporting, avoiding conflicts of interest, the protection and use of our property and information and compliance with legal and regulatory requirements. A current copy of the Code of Conduct is posted on the Governance section of the Investors page of our website, which is located at [www.nextnav.com](http://www.nextnav.com). We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any substantive amendment to, or waiver from, a provision of the Code of Conduct by posting such information on the website address and location specified above.

The Code of Conduct addresses (among other things) (i) the general principles and standards of honest and ethical conduct of the Covered Persons, (ii) the avoidance of conflicts of interest and insider trading, (iii) the Covered Persons’ obligations with respect to corporate opportunities, (iv) procedures with respect to retention of business records and general recordkeeping, (v) bribes, gifts and gratuities, as well as political contributions, (vi) internal procedures for the reporting of violations of the Code of Conduct, and (vii) requests for waivers of or changes to the Code of Conduct.

The additional information required by this item will be set forth under the sections entitled “*Board of Directors*,” “*Corporate Governance*” and “*Executive Officers*” in our 2025 Proxy Statement to be filed with the SEC within 120 days of December 31, 2024 and is incorporated by reference into this Annual Report on Form 10-K.

### Item 11. Executive Compensation.

The information required by this item will be set forth under the section entitled “*Executive and Director Compensation*” in our 2025 Proxy Statement to be filed with the SEC within 120 days of December 31, 2024 and is incorporated by reference into this Annual Report on Form 10-K.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item will be set forth under the sections entitled “*Securities Authorized for Issuance Under Equity Compensation Plans at December 31, 2024*” and “*Security Ownership of Certain Beneficial Owners and Management*” in our 2025 Proxy Statement to be filed with the SEC within 120 days of December 31, 2024 and is incorporated by reference into this Annual Report on Form 10-K.

### Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item will be set forth under the sections entitled “*Transactions with Related Parties*” and “*Corporate Governance*” in our 2025 Proxy Statement to be filed with the SEC within 120 days of December 31, 2024 and is incorporated by reference into this Annual Report on Form 10-K.

### Item 14. Principal Accountant Fees and Services.

The information required by this item will be set forth under the section entitled “*Fees Paid to Independent Registered Public Accounting Firm*” in our 2025 Proxy Statement to be filed with the SEC within 120 days of December 31, 2024 and is incorporated by reference into this Annual Report on Form 10-K.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules.

#### (a)(1) Consolidated Financial Statements

The consolidated financial statements listed in the Index to Financial Statements beginning on page F-1 are filed as part of this Annual Report on Form 10-K.

#### (a)(2) Financial Statement Schedules

All schedules are omitted as they are inapplicable or the required information is furnished in the consolidated financial statements or the notes thereto.

#### (a)(3) Exhibits

The exhibits filed as part of this Annual Report on Form 10-K are set forth on the Exhibit Index and are incorporated herein by reference.

#### Exhibit Index

Exhibit Number	Description
2.1*†	<a href="#"><u>Agreement and Plan of Merger, dated June 9, 2021, by and among Spartacus Acquisition Corporation, Spartacus Acquisition Shelf Corp., NextNav, LLC, NextNav Holdings, LLC, NEA 14 NextNav Blocker, LLC, Oak NextNav Blocker, LLC, Columbia Progeny Partners IV, Inc., Global Long Short Partners Aggregating Holdings Del VII LLC, Global Private Opportunities Partners Holdings II Corp., SASC (SPAC) Merger Sub 1 Corporation, SASC (Target) Merger Sub 2 LLC, SASC (NB) Merger Sub 3 LLC, SASC (OB) Merger Sub 4 LLC, SASC (CB) Merger Sub 5 Corporation, SASC (GB1) Merger Sub 6 LLC, a Delaware limited liability company, and SASC (GB2) Merger Sub 7 Corporation, a Delaware corporation (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Spartacus Acquisition Shelf Corporation on June 10, 2021).</u></a>
3.1*	<a href="#"><u>Amended and Restated Certificate of Incorporation of NextNav Inc. (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 filed by NextNav Inc. on November 2, 2021).</u></a>
3.2*	<a href="#"><u>Bylaws of NextNav Inc. (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed by NextNav Inc. on October 28, 2021).</u></a>
4.1*	<a href="#"><u>Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 filed by NextNav Inc. on August 25, 2021).</u></a>
4.2*	<a href="#"><u>Specimen Warrant Certificate (included in Exhibit 4.3).</u></a>
4.3*	<a href="#"><u>Amended and Restated Warrant Agreement, by and among Spartacus Acquisition Corporation, NextNav Inc., and Continental Stock Transfer &amp; Trust Company, as warrant agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by NextNav Inc. on October 28, 2021).</u></a>
4.4*	<a href="#"><u>Warrant To Purchase Common Stock of NextNav Inc. (incorporated by reference to Exhibit 4.4 to the Registration on Form S-1 filed by NextNav Inc. on November 2, 2021).</u></a>
4.5*	<a href="#"><u>Description of NextNav Inc.'s Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.5 to the Annual Report on Form 10-K for the period ended December 31, 2021 filed by NextNav Inc. on March 23, 2022).</u></a>
4.6*	<a href="#"><u>Form of Warrant to Purchase Common Stock of NextNav Inc. (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-3 filed by NextNav Inc. on June 23, 2023).</u></a>
4.7*†	<a href="#"><u>Note Purchase Agreement, dated May 9, 2023, by and among NextNav Inc. and the Purchasers named therein (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q for the period ended June 30, 2023 filed by NextNav Inc. on August 9, 2023).</u></a>
4.8*†	<a href="#"><u>Indenture, dated May 9, 2023, by and among NextNav Inc., the Guarantors listed therein and GLAS Trust Company LLC (incorporated by reference to Exhibit 4.3 to the Quarterly Report on Form 10-Q for the period ended June 30, 2023 filed by NextNav Inc. on August 9, 2023).</u></a>
4.9*	<a href="#"><u>Warrant Agreement, dated May 15, 2023, by and between NextNav Inc. and Continental Stock Transfer &amp; Trust Company, as warrant agent (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-3 filed by NextNav Inc. on June 23, 2023).</u></a>

4.10*†	<a href="#"><u>Security Agreement, dated May 9, 2023, by and among NextNav Inc., subsidiaries of NextNav Inc., the Noteholders referenced therein and GLAS Trust Company LLC (incorporated by reference to Exhibit 4.5 to the Quarterly Report on Form 10-Q for the period ended June 30, 2023 filed by NextNav Inc. on August 9, 2023).</u></a>
10.1*	<a href="#"><u>Registration Rights Agreement, dated October 28, 2021, by and among NextNav Inc. and certain stockholders of NextNav (incorporated by reference to Exhibit 10.1 to the Annual Report on Form 10-K for the period ended December 31, 2021 filed by NextNav Inc. on March 23, 2022).</u></a>
10.2*!	<a href="#"><u>Equipment, Network Colocation and Installation Agreement, dated October 7, 2019, by and between NextNav, LLC and AT&amp;T Services, Inc. (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form S-4 filed by NextNav Inc. on August 25, 2021).</u></a>
10.3*	<a href="#"><u>Private Placement Warrant Purchase Agreement, dated October 15, 2020, by and between the Company and the Sponsor (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-4 filed by NextNav Inc. on August 25, 2021).</u></a>
10.4*	<a href="#"><u>Private Placement Warrant Purchase Agreement, dated October 15, 2020, by and between the Company and B. Riley Principal Investments, LLC (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-4 filed by NextNav Inc. on August 25, 2021).</u></a>
10.5*	<a href="#"><u>Resale Registration Rights Agreement, dated May 9, 2023, by and among NextNav Inc. and the Parties named therein (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the period ended June 30, 2023 filed by NextNav Inc. on August 9, 2023).</u></a>
10.6*†	<a href="#"><u>Resale Registration Rights Agreement, dated March 7, 2024, by and between NextNav Inc. and Telesaurus Holdings GB LLC (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the period ended March 31, 2024 filed by NextNav Inc. on May 8, 2024).</u></a>
10.7*!	<a href="#"><u>Share Transfer Agreement, dated October 28, 2022, by and among NextNav Inc. and the Sellers party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by NextNav Inc. on November 2, 2022).</u></a>
10.8*†	<a href="#"><u>Asset Purchase Agreement, dated March 7, 2024, by and among NextNav Inc., Progeny LMS, LLC, Telesaurus Holdings GB LLC and Skybridge Spectrum Foundation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the period ended March 31, 2024 filed by NextNav Inc. on May 8, 2024).</u></a>
10.9*+	<a href="#"><u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by NextNav Inc. on October 28, 2021).</u></a>
10.10*+	<a href="#"><u>NextNav Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed by NextNav Inc. on October 28, 2021).</u></a>
10.11*+	<a href="#"><u>Form of Nonqualified Option Agreement under the NextNav Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1 filed by NextNav Inc. on November 17, 2021).</u></a>
10.12*+	<a href="#"><u>Form of Restricted Stock Unit Agreement under the NextNav Inc. 2021 Omnibus Incentive Plan (for grants pursuant to the Business Combination) (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form S-1 filed by NextNav Inc. on November 17, 2021).</u></a>
10.13*+	<a href="#"><u>Form of Restricted Stock Unit Agreement under the NextNav Inc. 2021 Omnibus Incentive Plan (Employees) (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-1 filed by NextNav Inc. on November 17, 2021).</u></a>
10.14*+	<a href="#"><u>Form of Restricted Stock Unit Agreement under the NextNav Inc. 2021 Omnibus Incentive Plan (Directors) (incorporated by reference to Exhibit 10.15 to the Registration Statement on Form S-1 filed by NextNav Inc. on November 17, 2021).</u></a>
10.15*+	<a href="#"><u>Form of Restricted Stock Agreement under the NextNav Inc. 2021 Omnibus Incentive Plan (Directors) (incorporated by reference to Exhibit 10.16 to the Registration Statement on Form S-1 filed by NextNav Inc. on November 17, 2021).</u></a>

10.16*+	<a href="#"><u>Form of Performance-Based Restricted Stock Unit Agreement under the NextNav Inc. 2021 Omnibus Incentive Plan (Employees) (incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K for the period ended December 31, 2023 filed by NextNav Inc. on March 13, 2024).</u></a>
10.17*+	<a href="#"><u>2011 Unit Option and Profits Interest Plan (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form S-8 filed by NextNav Inc. on December 27, 2021).</u></a>
10.18*+	<a href="#"><u>NextNav Inc. 2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed by NextNav Inc. on October 28, 2021).</u></a>
10.19*+	<a href="#"><u>Employment Agreement, dated as of November 29, 2023, by and between NextNav Inc. and Mariam Sorond (incorporated by reference to Exhibit 10.19 to the Annual Report on Form 10-K for the period ended December 31, 2023 filed by NextNav Inc. on March 13, 2024).</u></a>
10.20*+	<a href="#"><u>Employment Agreement, dated as of November 17, 2021, by and between NextNav Inc. and Christian D. Gates (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by NextNav Inc. on November 17, 2021).</u></a>
10.21*+	<a href="#"><u>Executive Employment Agreement, dated as of March 31, 2022, by and between Comm Labs Technology Centre Pvt. Ltd., an indirectly, wholly-owned subsidiary of NextNav Inc. and Arun Raghupathy (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the period ended March 31, 2022 filed by NextNav Inc. on May 12, 2022).</u></a>
10.22*†+	<a href="#"><u>Employment Agreement, dated as of May 5, 2024, by and between NextNav Inc. and Sanyogita Shamsunder (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the period ended June 30, 2024 filed by NextNav Inc. on August 7, 2024).</u></a>
10.23*+	<a href="#"><u>Consulting Agreement, dated as of November 29, 2023, by and between NextNav Inc. and Ganesh Pattabiraman (incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K for the period ended December 31, 2023 filed by NextNav Inc. on March 13, 2024).</u></a>
19.1	<a href="#"><u>Insider Trading Policy.</u></a>
21.1	<a href="#"><u>Subsidiaries of the Registrant.</u></a>
23.1	<a href="#"><u>Consent of Ernst &amp; Young LLP.</u></a>
31.1	<a href="#"><u>Certification of the Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2	<a href="#"><u>Certification of the Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1**	<a href="#"><u>Certification of the Chief Executive Officer &amp; Chief Financial Officer pursuant to 18 U.S.C. Section 1350.</u></a>
97*	<a href="#"><u>Incentive Compensation Recovery Policy (incorporated by reference to Exhibit 97 to the Annual Report on Form 10-K for the period ended December 31, 2023 filed by NextNav Inc. on March 13, 2024).</u></a>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline 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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\* Filed previously.

\*\* Furnished herewith.

† Certain schedules and/or exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish supplementally a copy of any such omitted schedule and/or exhibit to the SEC upon request.

! Certain confidential portions of the agreement were omitted by means of marking such portions with brackets (due to the registrant customarily and actually treating such information as private or confidential and such omitted information not being material) pursuant to Item 601(b)(10) of Regulation S-K. The Company agrees to supplementally furnish a copy of any confidential portions to the SEC upon request.

+ Indicates a management or compensatory plan.

**Item 16. Form 10-K Summary.**

None

## SIGNATURES

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

### NEXTNAV INC.

Date: March 12, 2025

By: /s/ Mariam Sorond

Name: Mariam Sorond

Title: President and Chief Executive Officer

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

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Mariam Sorond</u> Mariam Sorond	President, Chief Executive Officer and Chair of the Board of Directors (Principal Executive Officer)	March 12, 2025
<u>/s/ Christian D. Gates</u> Christian D. Gates	Chief Financial Officer (Principal Financial Officer)	March 12, 2025
<u>/s/ Sammaad R. Shams</u> Sammaad R. Shams	Chief Accounting Officer (Principal Accounting Officer)	March 12, 2025
<u>/s/ Alan B. Howe</u> Alan B. Howe	Director	March 12, 2025
<u>/s/ Bandel L. Carano</u> Bandel L. Carano	Director	March 12, 2025
<u>/s/ Jonathan A. Marcus</u> Jonathan A. Marcus	Director	March 12, 2025
<u>/s/ John B. Muleta</u> John B. Muleta	Director	March 12, 2025
<u>/s/ Nicola Palmer</u> Nicola Palmer	Director	March 12, 2025
<u>/s/ Neil S. Subin</u> Neil S. Subin	Director	March 12, 2025

## INDEX TO FINANCIAL STATEMENTS

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## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and the Board of Directors of NextNav Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of NextNav Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive loss, changes in equity and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

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

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

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

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2012.

Tysons, Virginia

March 12, 2025



**NEXTNAV INC.**  
**CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2024	2023
	(in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 39,330	\$ 81,878
Short term investments	40,785	3,954
Accounts receivable	3,301	2,332
Other current assets	2,629	3,056
Total current assets	\$ 86,045	\$ 91,220
Property and equipment, net of accumulated depreciation of \$13,716 and \$9,724 at December 31, 2024 and 2023, respectively	17,974	21,561
Operating lease right-of-use assets	17,368	19,267
Goodwill	16,966	17,977
Intangible assets, net	9,589	10,625
Other assets	13,798	1,508
Total assets	\$ 161,740	\$ 162,158
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 858	\$ 391
Accrued expenses and other current liabilities	8,536	6,592
Operating lease current liabilities	2,462	2,523
Deferred revenue	288	297
Total current liabilities	\$ 12,144	\$ 9,803
Warrants	28,707	7,053
Operating lease noncurrent liabilities	14,352	15,145
Other long-term liabilities	1,795	1,614
Long-term debt, net of debt issuance cost and discount	54,621	48,447
Total liabilities	\$ 111,619	\$ 82,062
Stockholders' equity:		
Common Stock, authorized 500,000,000 shares; 131,268,940 and 111,261,434 shares issued and 131,136,712 and 111,132,222 shares outstanding at December 31, 2024 and 2023, respectively	\$ 14	\$ 12
Additional paid-in capital	912,241	837,416
Accumulated other comprehensive income	665	2,198
Accumulated deficit	(862,106)	(760,227)
Common stock in treasury, at cost, 132,228 and 129,212 shares at December 31, 2024 and December 31, 2023, respectively	(693)	(665)
Total stockholders' equity	\$ 50,121	\$ 78,734
Non-controlling interests	—	1,362
Total liabilities and stockholders' equity	\$ 161,740	\$ 162,158

*See accompanying notes.*

NEXTNAV INC.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year Ended December 31,	
	2024	2023
	(in thousands, except per share amounts)	
<b>Revenue</b>	\$ 5,669	\$ 3,862
<b>Operating expenses:</b>		
Cost of goods sold (exclusive of depreciation and amortization)	10,777	12,743
Research and development	16,242	19,503
Selling, general and administrative	33,510	30,324
Depreciation and amortization	5,238	4,821
<b>Total operating expenses</b>	<b>\$ 65,767</b>	<b>\$ 67,391</b>
<b>Operating loss</b>	<b>(60,098)</b>	<b>(63,529)</b>
<b>Other income (expense):</b>		
Interest expense, net	(9,401)	(3,664)
Change in fair value of warrants	(33,177)	(4,101)
Other income (loss), net	970	(220)
<b>Loss before income taxes</b>	<b>\$ (101,706)</b>	<b>\$ (71,514)</b>
Provision for income taxes	173	221
<b>Net loss</b>	<b>\$ (101,879)</b>	<b>\$ (71,735)</b>
Foreign currency translation adjustment	(1,533)	827
<b>Comprehensive loss</b>	<b>\$ (103,412)</b>	<b>\$ (70,908)</b>
<b>Net loss</b>	<b>\$ (101,879)</b>	<b>\$ (71,735)</b>
<b>Net loss attributable to common stockholders</b>	<b>\$ (101,879)</b>	<b>\$ (71,735)</b>
Weighted average of shares outstanding – basic and diluted	121,500	107,972
<b>Net loss attributable to common stockholder per share – basic and diluted</b>	<b>\$ (0.84)</b>	<b>\$ (0.66)</b>

*See accompanying notes.*

NEXTNAV INC.  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Common Stock		Additional	Accumulated	Accumulated	Treasury	Stockholders'	Non-	Total
	Shares	Value	Paid-In	Deficit	Other	stock,	Equity	controlling	Equity
			Capital		Comprehensive	at cost		interests	
					(Loss)				
<b>Balance, December 31, 2022</b>	<b>106,417,265</b>	<b>\$ 12</b>	<b>\$ 787,130</b>	<b>\$ (688,492)</b>	<b>\$ 1,371</b>	<b>\$ (4)</b>	<b>\$ 100,017</b>	<b>\$ 3,847</b>	<b>\$ 103,864</b>
Vesting of RSUs	2,547,619	—	—	—	—	—	—	—	—
Issuance of RSAs	458,755	—	—	—	—	—	—	—	—
Exercise of common stock options	260,228	—	73	—	—	—	73	—	73
Exercise of common warrants	408,231	—	882	—	—	—	882	—	882
Stock-based compensation expense	—	—	20,207	—	—	—	20,207	—	20,207
Issuance of common warrants	—	—	22,843	—	—	—	22,843	—	22,843
Interest payment through issuance of shares	448,466	—	1,888	—	—	—	1,888	—	1,888
Redemption of non-controlling interests	719,693	—	3,145	—	—	—	3,145	(2,485)	660
Reclassification of warrant liability to common stock warrants	—	—	1,248	—	—	—	1,248	—	1,248
Shares received from settlement of employee receivables	(128,035)	—	—	—	—	(661)	(661)	—	(661)
Net loss	—	—	—	(71,735)	—	—	(71,735)	—	(71,735)
Foreign currency translation adjustment	—	—	—	—	827	—	827	—	827
<b>Balance, December 31, 2023</b>	<b>111,132,222</b>	<b>\$ 12</b>	<b>\$ 837,416</b>	<b>\$ (760,227)</b>	<b>\$ 2,198</b>	<b>\$ (665)</b>	<b>\$ 78,734</b>	<b>\$ 1,362</b>	<b>\$ 80,096</b>
Vesting of RSUs	2,456,403	1	—	—	—	—	1	—	1
Issuance of RSAs	269,453	—	—	—	—	—	—	—	—
Exercise of common stock options	1,381,143	—	3,787	—	—	—	3,787	—	3,787
Exercise of common warrants	14,531,193	1	31,386	—	—	—	31,387	—	31,387
Stock-based compensation expense	—	—	14,040	—	—	—	14,040	—	14,040
Interest payment through issuance of shares of common stock	352,171	—	3,842	—	—	—	3,842	—	3,842
Redemption of non-controlling interests	397,037	—	1,429	—	—	—	1,429	(1,362)	67
Reclassification of warrant liability to common stock warrants	—	—	11,523	—	—	—	11,523	—	11,523
Shares of Common Stock received from settlement of employee receivables	(3,016)	—	—	—	—	(28)	(28)	—	(28)
Shares of Common Stock issued to settle Asset Purchase Agreement liability	620,106	—	8,818	—	—	—	8,818	—	8,818
Net loss	—	—	—	(101,879)	—	—	(101,879)	—	(101,879)
Foreign currency translation adjustment	—	—	—	—	(1,533)	—	(1,533)	—	(1,533)
<b>Balance, December 31, 2024</b>	<b>131,136,712</b>	<b>14</b>	<b>912,241</b>	<b>(862,106)</b>	<b>665</b>	<b>(693)</b>	<b>50,121</b>	<b>—</b>	<b>50,121</b>

*See accompanying notes.*

**NEXTRAV INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
<b>Operating activities</b>		
Net loss	\$ (101,879)	\$ (71,735)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,238	4,821
Equity-based compensation	13,856	21,838
Change in fair value of warrant liability	33,177	4,101
Change in fair value of Asset Purchase Agreement liability	(966)	—
Realized and unrealized gain on marketable securities	(888)	(546)
Equity method investment loss	175	191
Asset retirement obligation accretion	76	66
Amortization of debt discount	6,174	3,151
Changes in operating assets and liabilities:		
Accounts receivables	(969)	(164)
Other current assets	388	537
Other assets	110	119
Accounts payable	467	(627)
Deferred revenue	(9)	202
Accrued expenses and other liabilities	5,990	1,884
Operating lease right-of-use assets and liabilities	1,052	722
Net cash used in operating activities	\$ (38,008)	\$ (35,440)
<b>Investing activities</b>		
Capitalization of costs and purchases of network assets, property, and equipment	(350)	(2,751)
Purchase of internal use software	(442)	(983)
Purchase of marketable securities	(82,443)	(37,441)
Sale and maturity of marketable securities	46,500	42,249
Payment for Asset Purchase Agreement liability	(2,732)	—
Net cash provided by (used in) investing activities	\$ (39,467)	\$ 1,074
<b>Financing activities</b>		
Proceeds from senior secured notes	—	70,000
Payments towards debt issuance cost	—	(1,861)
Payments towards debt	(111)	(110)
Proceeds from exercise of common stock options	3,787	73
Proceeds from exercise of common warrants	31,387	882
Redemption of non-controlling interests	40	—
Net cash provided by financing activities	\$ 35,103	\$ 68,984
Effect of exchange rates on cash and cash equivalents	(176)	30
Net increase (decrease) in cash and cash equivalents	(42,548)	34,648
Cash and cash equivalents at beginning of period	81,878	47,230
Cash and cash equivalents at end of period	<u>\$ 39,330</u>	<u>\$ 81,878</u>
<b>Non-cash investing and financing information and supplemental disclosures</b>		
Capital expenditure included in Accrued expenses and other current liabilities	\$ 78	\$ 285
Reclassification of warrant liability to common stock warrants	\$ 11,523	\$ 1,248
Issuance of warrants	\$ —	\$ 22,843
Interest paid in shares	\$ 3,842	\$ 1,888
Interest paid in cash	\$ 3,502	\$ 1,808
Income taxes paid, net	\$ 195	\$ 147

*See accompanying notes.*

**NEXTRAV INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## **1. Organization and Business**

### **Principal Business**

NextNav Inc. and its consolidated subsidiaries (“NextNav” or the “Company”) is the market leader in delivering resilient, next generation, complementary positioning, navigation and timing (“PNT”) solutions designed to overcome the limitations and vulnerabilities of the existing space-based Global Positioning System (“GPS”) and Global Navigation Satellite Systems (“GNSS”). The Company is evolving its complementary PNT solutions to use 5G New Radio (“5G NR”) technologies (“NextGen”), in conjunction with its Petition for Rulemaking filed with the FCC, to update and reconfigure the Lower 900 MHz band and its spectrum licenses. The Company expects the evolution of its platform to NextGen will significantly improve the efficiency, flexibility, and scale of its operations, technically enabling the delivery of high-quality PNT based on a 5G broadband network. The NextGen solution is being designed to allow one or more partners to integrate the Company’s Lower 900 MHz spectrum into their 5G networks. The Company expects that this will result in wide-scale availability of both complementary PNT services and additional broadband capacity.

As the Company evolves its technology platform to NextGen and pursues regulatory changes to the Lower 900 MHz band and its spectrum licenses, it continues to deliver high-quality PNT services through its Pinnacle and TerraPoiNT solutions. The Pinnacle system provides an accurate altitude service and is primarily used for public safety applications, including enhanced 911 (“E911”) for Verizon and a growing number of devices operating on the remaining national cellular network providers. The TerraPoiNT system is a terrestrially based dedicated, complementary 3D PNT network designed to overcome the limitations inherent in the space-based nature of GPS. TerraPoiNT received the highest scores in testing by the DoT reported in 2021 regarding potential PNT backup solutions in each category tested and was the only solution evaluated capable of providing the full set of services provided by GPS. Continuing its engagement with the DoT, in 2024 the Company was awarded a contract to establish performance characteristics for TerraPoiNT to allow the DoT to incorporate its solutions into a clearinghouse of solutions defined in the DoT Complementary PNT Action Plan, for potential use by Federal government customers.

Since its inception, NextNav has incurred recurring losses and generated negative cash flows from operations and has primarily relied upon debt and equity financings to fund its cash requirements. During the years ended December 31, 2024 and 2023, the Company incurred net losses of \$101.9 million and \$71.7 million, respectively. During the years ended December 31, 2024 and 2023, net cash used in operating activities was \$38.0 million and \$35.4 million, respectively. As of December 31, 2024, cash and cash equivalents and marketable securities was \$80.1 million. The Company’s primary use of cash is to fund operations as NextNav continues to perform research and development and grow. The Company expects to incur additional losses and higher operating expenses for the foreseeable future, specifically as NextNav invests in ongoing research and development and the expansion of the TerraPoiNT network.

Managing liquidity and the Company’s cash position is a priority of the Company. The Company continually works to optimize its expenses in light of the growth of its business and adapt to changes in the economic environment. The Company believes that the cash and cash equivalents and marketable securities as of December 31, 2024 will be sufficient to meet its working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months from the date of filing this Annual Report on Form 10-K. The Company believes it will meet longer term expected future cash requirements and obligations through a combination of its existing cash and cash equivalents balances and marketable securities, cash flows from operations, and issuance of equity securities or debt offerings. However, this determination is based upon internal financial projections and is subject to changes in market and business conditions.

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

### *Basis of Presentation*

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). All intercompany transactions and balances have been eliminated in these consolidated financial statements.

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. These estimates include those related to the useful lives and recoverability of long-lived and intangible assets, valuation common stock warrants, income taxes and equity-based compensation. NextNav bases estimates on historical experience, anticipated results and various other assumptions, including assumptions of future events, it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets, liabilities, equity, revenue and expenses, that are not readily apparent from other sources. Actual results and outcomes could differ materially from these estimates and assumptions.

**NEXTRAV INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*Cash and Cash Equivalents and Marketable Securities*

Cash and cash equivalents include all cash in banks and highly liquid investments with an original maturity of three months or less when purchased. The combined account balances held on deposit at each institution typically exceed Federal Deposit Insurance Corporation ("FDIC") insurance coverage and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of FDIC insurance coverage. The Company seeks to reduce this risk by maintaining such deposits with high quality financial institutions that management believes are creditworthy. Further, the Company seeks to minimize its exposure to banking risk by limiting the amount of uninsured deposits and investing its excess cash in U.S. government and government agency bonds, and money market funds.

The Company invests excess cash primarily in U.S. treasury bills, U.S. government and government agency bonds, and money market funds. The Company classifies all marketable securities that have stated maturities of three months or less from the date of purchase as cash equivalents, and those that have stated maturities of over three months as short-term investments on the Consolidated Balance Sheets. The Company determines the appropriate classification of investments in marketable securities at the time of purchase and reevaluates such designation at each balance sheet date. Marketable securities that are held for resale are classified as "trading securities" and are measured at fair value with the related gains and losses, including unrealized, recognized in interest expense, net. Marketable securities not classified as held to maturity or as trading securities are classified as "available-for-sale securities" and the fair value option ("FVO") was elected, for which related gains and losses, including unrealized gains and losses and interest, are recognized in interest expense, net. The FVO election allows the Company to account for the marketable securities at fair value, which is consistent with the manner in which the instruments are managed. For the twelve months ended December 31, 2024, the Company recorded \$888 thousand of gains from fair value changes from FVO available-for-sale debt securities in interest expense, net in the Consolidated Statements of Comprehensive Loss. There were no debt securities classified as available-for-sale in 2023.

*Equity Method Investment*

The Company applies the equity method of accounting to investments when it has significant influence, but not control, under the equity method of accounting. Judgment regarding the level of influence over each equity method investment includes considering key factors such as ownership interest, representation on the board of directors, participation in policy-making decisions and material intercompany transactions.

The initial carrying value of equity method investment is based on the amount paid to purchase the interest in the investee entity. Subsequently, the investment is increased or decreased by the Company's proportionate share in the investee's earnings or losses and decreased by cash distributions from the investee. The Company eliminates from its financial results all significant intercompany transactions to the extent of its ownership interest, including the intercompany portion of transactions with equity method investee. The Company's share of the investee's income or loss is recorded on a one quarter lag.

The Company evaluates equity method investments for impairment based upon a comparison of the fair value of the equity method investment to its carrying value, when impairment indicators exist. If the Company determines a decline in the fair value of an equity method investment below its carrying value is other-than-temporary, an impairment is recorded. Determining fair value involves significant judgment. The Company's estimates consider alternative evidence including, but not limited to, general economic conditions and other relevant factors. The Company did not recognize any impairment losses for its equity method investment for the year ended December 31, 2024.

*Leases*

NextNav leases office spaces under non-cancellable leases as well as site leases for towers and shelters under operating leases related to its network. Site leases are entered into throughout the United States under which NextNav receives the rights to install equipment used to transmit its services over its licensed spectrum. The Company, at the inception of the contract, determines whether a contract is or contains a lease based on assessment of the terms and conditions of the contract. The Company classifies leases with contractual terms longer than twelve months as either operating or finance. The Company has elected not to recognize lease assets and liabilities for its short-term leases, which are defined as leases with an initial term of twelve months or less.

The Company's leases may include options to extend or terminate the lease. The option to renew may be automatic, at the option of NextNav or mutually agreed to between the landlord and NextNav. Lease terms include the non-cancellable term and periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

**NEXTNV INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The Company's lease agreements generally contain lease and non-lease components. Payments under the lease arrangements are primarily fixed. Non-lease components primarily include payments for utilities and maintenance. The Company combines fixed payments for non-lease components with lease payments and accounts for them together as a single lease component which increases the amount of the Company's lease assets and liabilities. Certain lease agreements contain variable payments, which are expensed as incurred and not included in the lease assets and liabilities. These amounts include payments for common area maintenance.

Lease assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate, because the interest rate implicit in the Company's leases is not readily determinable. The Company's incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. Lease assets are reduced by landlord incentives, plus any direct costs from executing the leases or lease prepayments reclassified from "Other current assets" upon lease commencement.

Operating lease expense is recognized on a straight-line basis over the lease term. Monthly rent expense includes any site related utility payments or other fees such as administrative or up-front fees contained in the lease agreements that are determinable upon execution of the lease agreement.

*Property and Equipment, Network under Construction and Intangible Assets*

Property and equipment, net of accumulated depreciation and network under construction are recorded at cost. Employee-related costs for construction of network assets are also capitalized during the construction phase. Expenditures for maintenance and repairs that do not materially extend the useful lives of property and equipment are charged to cost of goods sold ("COGS") and selling, general and administrative ("SG&A") as incurred. When property or equipment is retired or otherwise disposed of, the related property accounts are relieved of costs and accumulated depreciation and any resulting gain or loss is included in the Consolidated Statements of Comprehensive Loss.

NextNav records asset retirement obligations associated with the contractually required removal of property and equipment assets from leased properties. When an asset retirement obligation is identified, NextNav records the fair value of the obligation discounted at present value as a liability. The fair value of the obligation is also capitalized as property and equipment, which is amortized over the estimated remaining useful life of the associated asset. Accretion expense on the liability is recognized over the estimated life of the related assets. The carrying value of asset retirement obligations as of December 31, 2024 is classified in other long-term liabilities.

Asset retirement obligations for the years ended December 31, 2024 and 2023 were:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
<b>Beginning Balance</b>	\$ 1,340	\$ 1,147
Liabilities incurred	—	164
Liabilities settled	(100)	(37)
Change in estimates	327	—
Accretion	76	66
<b>Ending Balance</b>	<b>\$ 1,643</b>	<b>\$ 1,340</b>

Depreciation and Amortization are computed using the straight-line method over the estimated useful lives of the assets as follows:

Pinnacle and TerraPoiNT network assets	5–8 years
Office equipment, furniture and internal use software	2–5 years
Leasehold improvements	Shorter of the useful life or lease term
Acquired finite-lived intangible assets	12 years

NEXTNAV INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Software Development Costs*

Research and development costs to develop software to be sold, leased or marketed are expensed as incurred up to the point of technological feasibility for the related software product. NextNav has not capitalized development costs for software to be sold, leased or marketed to date, as the software development process is essentially completed concurrent with the establishment of technological feasibility. As such, these costs are expensed as incurred and recognized in research and development costs in the Consolidated Statements of Comprehensive Loss.

Software developed for internal use, with no substantive plans to market such software at the time of development, are capitalized and included in intangible assets in the Consolidated Balance Sheets. Costs incurred during the preliminary planning and evaluation and post implementation stages of the project are expensed as incurred. Costs incurred during the application development stage of the project are capitalized. During the year ended December 31, 2024 and 2023, the Company capitalized \$0.5 million and \$1.0 million, respectively, of development costs related to internal use software.

Internal use software is amortized over a three year useful life. Amortization of internal use software was \$0.7 million and \$0.4 million for the years ended December 31, 2024 and December 31, 2023, respectively.

*Acquired finite-lived intangible assets*

Acquired finite-lived intangible assets primarily includes proprietary technology and software. See Note 4 — Property, Equipment, Network Under Construction, and Intangible Assets.

*Goodwill*

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in a business combination. Goodwill is not amortized but is tested for impairment annually in the fourth quarter or more frequently if events or changes in circumstances indicate that the asset may be impaired. The Company operates as one reporting unit. When testing goodwill for impairment, the Company may first perform an optional qualitative assessment. If the Company determines it is not more likely than not the reporting unit's fair value is less than its carrying value, then no further analysis is necessary. If the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying amount, then the quantitative impairment test will be performed. Under the quantitative impairment test, if the carrying amount of the Company's reporting unit exceeds its fair value, the Company will recognize an impairment loss in an amount equal to that excess but limited to the total amount of goodwill. No goodwill impairment was recorded for the years ended December 31, 2024 and December 31, 2023. The following summarizes the Company's goodwill activities (in thousands):

	Year Ended December 31,	
	2024	2023
<b>Beginning Balance</b>	\$ 17,977	\$ 17,493
Changes in foreign exchange rates	(1,011)	580
Purchase price adjustment	—	(96)
<b>Ending Balance</b>	<u>\$ 16,966</u>	<u>\$ 17,977</u>

*Impairment*

NextNav's long-lived assets, including property and equipment, network under construction, intangible assets and right-of-use lease assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, impairment is determined by comparing the carrying value of these long-lived assets to management's probability weighted estimate of the future undiscounted cash flows expected to result from the use of the asset or asset group. In the event an impairment exists, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset group. For the years ended December 31, 2024, and 2023, the Company determined that no events or changes in circumstances existed that would indicate any impairment of its long-lived assets.



**NEXTRAV INC.**  
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*Indefinite-Lived Intangible assets*

NextNav holds wireless Multilateration Location and Monitoring Service (“LMS”) licenses. Certain general regulatory requirements apply to all licensed wireless spectrum, including, for example, certain build-out or “substantial service” requirements, which generally must be satisfied as a condition to the license. NextNav is actively engaged in either meeting such requirements currently or seeking an extension of such requirements from the Federal Communications Commission (“FCC”) for each of its LMS licenses. Although licenses are issued by the FCC for only a fixed time, ten years, such licenses are subject to renewal by the FCC, based on the achievement of certain milestones and a finding that such renewal would serve the public interest. Upon renewal, the licenses are granted for additional ten-year periods. Renewal of NextNav’s licenses has occurred previously and at nominal cost. As a result, NextNav treats its wireless LMS spectrum licenses as an indefinite-lived intangible asset. NextNav reevaluates the useful life determination for wireless licenses each year to determine whether events and circumstances continue to support an indefinite useful life. Costs incurred to maintain the FCC licenses are recorded in operating expenses.

NextNav assesses indefinite-lived intangible assets for potential impairment annually as of October 1 or during the year if an event or other circumstance indicates that NextNav may not be able to recover the carrying amount of the asset. In evaluating indefinite-lived intangible assets for impairment, NextNav first assesses qualitative factors to determine whether it is more likely than not that the fair value of the asset is less than its carrying amount. If NextNav concludes that it is not more likely than not that the fair value of the asset is less than its carrying value, then no further testing is required. However, if NextNav concludes that it is more likely than not that the fair value of the asset is less than its carrying value, then NextNav performs a two-step impairment test to identify potential impairment and measures the amount of impairment it will recognize, if any.

Based on its qualitative assessment performed for the years ended December 31, 2024 and 2023, NextNav concluded that it was not more likely than not that the fair value of its indefinite-lived asset is less than its carrying amount, and as such, no impairment exists.

*Acquisitions*

The Company accounts for its acquisitions using the acquisition method of accounting. The purchase price is attributed to the fair value of the assets acquired and liabilities assumed. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date. The excess of the purchase price of acquisition over the fair value of the identifiable net assets of the acquiree is recorded as goodwill. The results of businesses acquired are included in the Company’s consolidated financial statements from the date of acquisition.

When the Company issues stock-based or cash awards to an acquired company’s shareholders, the Company evaluates whether the awards are consideration or compensation for post-acquisition services. The evaluation includes, among other things, whether the vesting of the awards is contingent on the continued employment of the acquired company’s stockholders beyond the acquisition date. If continued employment is required for vesting, the awards are treated as compensation for post-acquisition services and recognized as expense over the requisite service period.

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates, and selection of comparable companies. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including market conditions, technological developments, economic conditions, and competition. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. In addition, uncertain tax positions, tax-related valuation allowances and pre-acquisition contingencies are initially recorded as of the acquisition date. The Company continues to collect information and reevaluates these estimates and assumptions quarterly and records any adjustments to the Company’s preliminary estimates to goodwill provided that the Company is within the measurement period. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the Company’s Consolidated Statements of Comprehensive Loss. In connection with the determination of fair values, the Company may engage a third-party valuation specialist to assist with the valuation of intangible and certain tangible assets acquired and certain assumed obligations.

## NEXTRAV INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### *Long-term debt*

In conjunction with the issuance of senior secured notes in May and July of 2023, the Company issued warrants to the lenders. The Company allocated the proceeds from its debt issuance to long-term debt and equity classified warrants based on relative fair value as determined by the Discounted Cash Flow approach and Monte Carlo simulation model, respectively. The portion of proceeds allocated to equity-classified warrants and direct debt issuance costs are classified as debt discounts. The carrying value of long-term debt in the Company's Consolidated Balance Sheets consists of principal amount of debt, net of debt discounts. Debt discounts are amortized to interest expense based on the related debt agreements primarily using the effective interest method.

#### *Non-controlling Interests*

The non-controlling interest in the Company's consolidated financial statements represented the warrants for Nestwave, SAS (as subsequently renamed, "NextNav France") shares that were owned by the selling shareholders of NextNav France, which was acquired by the Company in 2022. Holders of the warrants did not have the right to income or obligation to losses of NextNav France, and the Company did not attribute any net loss to the non-controlling interests. In October 2023, the Company issued 591,658 unregistered shares of its common stock in connection with the Company's acquisition of the issued and outstanding shares of NextNav France, pursuant to certain agreements by and among the Company and certain shareholders of NextNav France, dated October 28, 2022. This resulted in a \$2.5 million redemption of the non-controlling interests in 2023. In May 2024, the Company issued 397,037 unregistered shares of its common stock in connection with the Company's acquisition of all of the issued and outstanding shares of NextNav France. This resulted in a \$1.4 million redemption in full of the non-controlling interests in 2024. As of December 31, 2024, the Company does not have any non-controlling interests.

#### *Revenue*

NextNav derives its revenue from PNT technology, products and services including revenue generated through technology demonstration and assessment contracts with customers, support services provided to customers, sales of equipment, and licensing of proprietary technology.

The Company recognizes revenue when an arrangement exists, services, equipment or access to licensed technology are delivered, the transaction price is determined, the arrangement has commercial substance, payment terms are determined and collection of consideration is probable.

The Company sells software licenses and services through arrangements that may bundle software, equipment, and other services. When the Company determines that it has separate distinct performance obligations, the Company allocates the bundled contract price among the various performance obligations based on each deliverable's stand-alone selling price. If the stand-alone selling price is not directly observable, the Company estimates the amount to be allocated for each performance obligation based on observable market transactions. When the Company determines the performance obligations are not distinct, the Company recognizes revenue on a combined basis as the obligation is satisfied. To the extent the Company's contracts include variable consideration, the transaction price includes both fixed and variable consideration. The variable consideration contained within the Company's contracts with customers may include discounts, credits and other similar items. When a contract includes variable consideration, the Company evaluates the estimate of the variable consideration to determine whether the estimate needs to be constrained; therefore, the Company includes the variable consideration in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

NextNav recognizes equipment sales and the related costs when control of the equipment passes to the customer, typically upon shipment. The Company has made an accounting policy election to account for shipping activities, consisting of direct costs to ship products performed after the control of a product has been transferred to the customer, in cost of goods sold. Customers do not have rights of return without NextNav's prior consent. Revenue pursuant to licensing agreements for NextNav's technology represents performance obligations that are satisfied over time. NextNav recognizes revenue from initial integration services and ongoing services ratably over the periods in which the services are provided; the related costs are expensed as incurred.

**NEXTNAV INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables, and deferred revenue on the Consolidated Balance Sheets. The Company bills amounts under its agreed-upon contractual terms at periodic intervals for services, upon shipment for equipment, or upon achievement of contractual milestones or as work progresses. Billing may occur subsequent to revenue recognition, resulting in accounts receivable. The Company may also receive payments from customers before revenue is recognized, resulting in deferred revenue. Additionally, the Company had performance obligations associated with commitments in customer contracts for future services that have not yet been recognized in the Company's financial statements. The Company applies the practical expedient available that provides the option to exclude the expected revenues arising from unsatisfied performance obligations related to contracts that have an original expected duration of one year or less.

The following table presents the Company's revenue disaggregated by category and source:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Commercial	\$ 4,599	\$ 3,765
Government contracts	1,068	20
Equipment sales	2	77
Total revenue	<u>\$ 5,669</u>	<u>\$ 3,862</u>

*Contract Balances*

Accounts receivable are billed and unbilled amounts related to the Company's rights to consideration as performance obligations are satisfied when the rights to payment become unconditional but for the passage of time. As of December 31, 2024 and 2023 the Company's accounts receivable balances were \$3.3 million and \$2.3 million, respectively. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status and makes judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also considers customer-specific information, current market conditions, and reasonable and supportable forecasts of future economic condition. An allowance for credit losses for accounts receivable is recorded as an offset to accounts receivable, and changes in such are classified as selling, general and administrative expense in the Consolidated Statements of Comprehensive Loss. As of December 31, 2024 and 2023, all accounts receivable balances were current and no allowance for credit losses were recorded.

**NEXTNAV INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Contract liabilities relate to amounts billed in advance, or advance consideration received from customers, for which transfer of control of the good or service occurs at a later point in time. As of December 31, 2024 and 2023, the Company's contract liabilities balances were \$0.3 million.

*Cost of Goods Sold*

Cost of goods sold consist of personnel-related expenses, including salaries, benefits and stock-based compensation, and allocated facility costs for the Company's operations and manufacturing teams. Cost of goods sold also includes expenses for site leases, cost of equipment, software license costs, including cloud hosting costs, and professional services related to the maintenance of the equipment at each leased site.

*Research and Development Costs*

Research and development expenses consist of personnel-related expenses, including salaries, benefits and stock-based compensation, and allocated facility costs for the Company's research and development functions. Research and development costs also include outside professional services for software and hardware development, and software license costs, including cloud hosting costs.

*Selling, General and Administrative*

Selling, general and administrative expenses consist of personnel-related expenses, including salaries, benefits and stock-based compensation, and allocated facility costs for the Company's business development, marketing, corporate, executive, finance, legal, human resources, IT and other administrative functions. Selling, general and administrative expenses also include expenses for outside professional services, including legal, auditing and accounting services, recruitment expenses, travel expenses and certain non-income taxes, insurance and other administrative expenses.

*Equity-Based Compensation*

Measurement of equity-based compensation with employees is based on the estimated grant date fair value of the equity instruments issued. The fair value of stock options is determined using the Black-Scholes option pricing model. The fair value of restricted stock awards is based on the closing price of NextNav's common stock on the date of grant. NextNav recognizes equity-based compensation on a straight-line basis over the requisite service period of the grant, which is generally equal to the vesting period. NextNav accounts for forfeitures as they occur.

The following details the amount of stock-based compensation included in cost of goods sold, research and development, and selling, general and administrative expenses:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Cost of goods sold	\$ 729	\$ 2,318
Research and development	4,106	6,655
Selling, general and administrative	9,021	12,865
Total stock-based compensation expense	<u>\$ 13,856</u>	<u>\$ 21,838</u>

NEXTNAV INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Basic and Diluted Net Loss per Share*

Basic loss per share (“EPS”) excludes dilution for common share equivalents and is computed by dividing net loss available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of common stock outstanding during each period, adjusted for the effect of dilutive common share equivalents.

Restricted shares are included in the computation of basic EPS as they vest and are included in diluted EPS, to the extent they are dilutive, determined using the treasury stock method. Outstanding options and warrants are included in the computation of diluted EPS, to the extent they are dilutive, determined using the treasury stock method.

The determination of the diluted weighted average shares is included in the following calculation of EPS:

	Year Ended December 31,	
	2024	2023
	(in thousands, except per share amounts)	
<b>Numerator</b>		
Net loss attributable to common stockholders	\$ 101,879	\$ 71,735
<b>Denominator</b>		
Weighted average shares – basic and diluted	121,500	107,972
<b>Basic and diluted loss per share</b>	\$ 0.84	\$ 0.66

The following details anti-dilutive unvested restricted stock units and unvested restricted stock awards, as well as the anti-dilutive effects of the outstanding warrants and stock options:

	December 31,	
	2024	2023
	(in thousands)	
<b>Antidilutive Shares Excluded</b>		
Warrants	29,736	44,268
Stock Options	3,628	3,641
Unvested Restricted Stock Units	4,401	4,987
Unvested Restricted Stock Awards	231	334

NEXTNAV INC.  
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*Income Taxes*

Income taxes are accounted for using the asset and liability method. Deferred income taxes are provided for temporary differences in recognizing certain income, expense and credit items for financial reporting purposes and tax reporting purposes. Such deferred income taxes primarily relate to the difference between the tax bases of assets and liabilities and their financial reporting amounts. Deferred tax assets and liabilities are measured by applying enacted statutory tax rates applicable to the future years in which deferred tax assets or liabilities are expected to be settled or realized. Excess tax benefits and tax deficiencies are recognized in the income tax provision in the period in which they occur.

The Company records a valuation allowance when it determines, based on available positive and negative evidence, that it is more-likely-than-not that some portion or all of its deferred tax assets will not be realized. The Company determines the realizability of its deferred tax assets primarily based on the reversal of existing taxable temporary differences and projections of future taxable income (exclusive of reversing temporary differences and carryforwards). In evaluating such projections, the Company considers its history of profitability, the competitive environment, and general economic conditions. In addition, the Company considers the time frame over which it would take to utilize the deferred tax assets prior to their expiration.

For certain tax positions, the Company uses a more-likely-than-not threshold based on the technical merits of the tax position taken. Tax positions that meet the more-likely-than-not recognition threshold are measured at the largest amount of tax benefits determined on a cumulative probability basis, which are more-likely-than-not to be realized upon ultimate settlement in the financial statements. The Company's policy is to recognize interest and penalties related to income tax matters in income tax expense.

*Foreign Currency Translation*

The functional currency of NextNav's foreign subsidiaries is generally the local currency. Assets and liabilities are translated into U.S. dollars at the exchange rate in effect at the Consolidated Balance Sheet date. Operating accounts are translated at an average rate of exchange for the respective accounting periods. Translation adjustments resulting from the process of translating foreign currency financial statements into U.S. dollars are reported as a component of accumulated other comprehensive loss. Transaction gains and losses reflected in the functional currencies are charged to income or expense at the time of the transaction.

Net transaction gains (losses) from foreign currency contracts recorded in the Consolidated Statements of Comprehensive Loss were immaterial for the fiscal years ended December 31, 2024 and 2023. The only component of other comprehensive loss is currency translation adjustments for all periods presented. No income tax expense was allocated to the currency translation adjustments.

*Segments*

NextNav operates as one operating segment. NextNav's chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on an entity-wide basis for purposes of making operating decisions, assessing financial performance and allocating resources.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Adopted Accounting Pronouncements*

In November 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”), which requires the Company to disclose segment expenses that are significant and regularly provided to the Company’s chief operating decision maker (“CODM”). In addition, ASU 2023-07 requires the Company to disclose the title and position of its CODM and how the CODM uses segment profit or loss information in assessing segment performance and deciding how to allocate resources. The Company adopted ASU 2023-07 in this Annual Report on Form 10-K for the year ended December 31, 2024. The adoption did not have a material impact on the consolidated financial statements. See Note 16 — Segments for additional information.

*Recent Accounting Developments Not Yet Adopted*

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”). ASU 2023-09 is effective for the Company's annual periods beginning January 1, 2026 with early adoption permitted, and requires the Company to disclose additional information on the rate reconciliation and income taxes paid. The Company has not yet adopted ASU 2023-09 and is currently evaluating the potential effect that the updated standard will have on the financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures* (Subtopic 220-40)— *Disaggregation of Income Statement Expenses* (“ASU 2024-03”) which requires disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is effective for the Company's annual periods beginning January 1, 2027, on a prospective basis, with early adoption and retrospective application permitted. The Company has not yet adopted ASU 2024-03 and is currently evaluating the potential effect of the adoption on its consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company’s consolidated financial statements.

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### 3. Asset Purchase Agreement

On March 7, 2024, the Company and its wholly-owned subsidiary Progeny LMS, LLC entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Telesaurus Holdings GB and Skybridge Spectrum Foundation to acquire (1) certain Multilateration Location and Monitoring Service licenses (the "M-LMS Licenses") issued by the FCC and (2) rights to a petition for reconsideration, dated December 20, 2017, which, if granted, may reinstate additional M-LMS Licenses owned by the sellers and terminated by the FCC in 2017 (the "Transaction"). The closing ("Closing") of the Transaction is subject to customary conditions as well as the approval of the Superior Court of the State of California, County of Alameda ("Alameda Court Approval") and approval of the FCC of the application seeking the transfer and assignment of the M-LMS Licenses to the Company by final order ("FCC Approval") and will occur upon the assignment of the M-LMS Licenses following the FCC Approval.

The consideration for the Transaction is payable as follows:

- \$2.5 million in cash consideration within 30 days of the Alameda Court Approval;
- \$7.5 million in shares of NextNav common stock on the earlier of the FCC Approval or, if no action has been taken by the FCC, November 15, 2024 (payable regardless of whether Closing occurs) ("First Noncash Consideration"); and
- \$20.0 million in shares of NextNav common stock within 30 days of the assignment of the M-LMS Licenses at Closing contingent upon FCC Approval.

The Company subsequently received the Alameda Court Approval on March 28, 2024 and made the cash payment of \$2.5 million in April 2024. Further, the Company recorded a liability and asset of \$9.8 million as of March 31, 2024 with respect to the fair value of shares expected to be issued (based on a 20-day volume weighted average price of \$5.04 and share price of \$6.58) equivalent to the \$7.5 million First Noncash Consideration, as the payment obligation was upon passage of time and was not contingent. On November 15, 2024, the Company settled the First Noncash Consideration liability by issuing 620,106 shares of NextNav common stock (based on a 20-day volume weighted average price of \$12.09), which had a fair value of \$8.8 million (based on a share price of \$14.22 upon issuance) that resulted in a gain of \$1.0 million, which is recorded in Other income (loss), net in the Consolidated Statement of Comprehensive Loss for the year ended December 31, 2024, as a result of difference between fair value of the shares issued on November 15, 2024 and the fair value of shares that were expected to be issued for the First Noncash Consideration liability based on the 20-day volume-weighted average price on March 31, 2024. The Company recognized a total of \$12.6 million related to the Asset Purchase Agreement within other assets in the Consolidated Balance Sheet as of December 31, 2024, which is comprised of the \$2.5 million cash consideration, \$0.3 million in qualifying direct transaction costs, and \$9.8 million related to the First Noncash Consideration.

The Asset Purchase Agreement provides for additional contingent consideration in the amount of \$20 million, payable in shares of NextNav common stock. Payment of this additional consideration is contingent upon the FCC granting additional flexibility in the use of M-LMS spectrum.

The Asset Purchase Agreement remains subject to FCC review. On April 16, 2024, the Company petitioned the FCC to commence a rule making to reconfigure and update the rules governing the Lower 900 MHz band plan to allow additional flexibility in the use of M-LMS spectrum (the "Petition"). The FCC's review of the Petition is pending. Based on available information, the Company has concluded that it is not probable that the Transaction will not close and therefore, no contingency loss is recognized as of December 31, 2024.

### 4. Property and Equipment, and Intangible Assets

Property and equipment, net consisted of the following:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Network under construction	\$ 1,664	\$ 1,676
PNT network	27,903	27,628
Office equipment, furniture, and leasehold improvements	2,123	1,981
Accumulated depreciation	(13,716)	(9,724)
Property and equipment, net	<u>\$ 17,974</u>	<u>\$ 21,561</u>



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Depreciation expense on property and equipment was \$4.0 million and \$3.8 million for the years ended December 31, 2024 and 2023, respectively.

Network under construction consisted of a tower and rooftop network of beacons with total balances of \$1.7 million as of each of December 31, 2024 and 2023. There was no depreciation expense on network under construction in 2024 or 2023. No impairment was recorded for the years ended December 31, 2024 or 2023.

Intangible assets as of December 31, 2024 consisted of the following (in thousands):

	Gross Amount	Accumulated Amortization	Net Carrying Value
Indefinite-Lived intangible assets	\$ 3,467	\$ —	\$ 3,467
Acquired Software	6,907	2,492	4,415
Acquired Technology	566	102	464
Internal Use Software	3,120	1,877	1,243
	<u>\$ 14,060</u>	<u>\$ 4,471</u>	<u>\$ 9,589</u>

The weighted average remaining useful lives of acquired software and acquired technology were 9.83 years as of December 31, 2024.

Intangible assets as of December 31, 2023 consisted of the following (in thousands):

	Gross Amount	Accumulated Amortization	Net Carrying Value
Indefinite-Lived intangible assets	\$ 3,467	\$ —	\$ 3,467
Acquired Software	7,217	2,050	5,167
Acquired Technology	599	58	541
Internal Use Software	2,634	1,184	1,450
	<u>\$ 13,917</u>	<u>\$ 3,292</u>	<u>\$ 10,625</u>

The weighted average remaining useful lives of acquired software and acquired technology were 10.8 years as of December 31, 2023.

Amortization expense on intangible assets was \$1.2 million and \$1.1 million for the years ended December 31, 2024 and 2023, respectively. Future amortization is expected as follows:

2025	\$ 1,167
2026	984
2027	593
2028	494
2029 and thereafter	2,884
	<u>\$ 6,122</u>

## 5. Leases

All leases were classified as operating leases as of December 31, 2024 and 2023.

Components of operating lease expense were as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Operating lease cost	\$ 5,133	\$ 4,852
Variable lease cost	\$ 209	\$ 154
Short-term lease cost	\$ 311	\$ 363

**NEXTNAV INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Operating cash flows from operating leases	\$ 4,574	\$ 4,577
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 2,068	\$ 4,252

As of December 31, 2024, the Company's operating leases had a weighted average remaining lease term of 6.6 years and a weighted average discount rate of 8.1%.

Future lease payments under operating leases as of December 31, 2024 were as follows (in thousands):

2025	\$ 3,848
2026	3,589
2027	2,944
2028	2,744
2029	2,525
Thereafter	6,331
Total undiscounted future lease payments	\$ 21,981
Less imputed interest	5,167
Total lease liability balance	\$ 16,814

As of December 31, 2024, and 2023, the Company did not enter into leases that have not yet commenced.

## **6. Equity Method Investment**

As of December 31, 2024, the Company's total ownership of MetCom Inc., a privately-owned Japanese joint stock company (kabushiki kaisha) ("MetCom"), consisted of 702,334 shares representing ownership of 14.8%. The Company provides licenses to its technology, infrastructure and subscriber equipment to MetCom to support MetCom's efforts in commercializing terrestrial positioning technology (both TerraPoiNT and Pinnacle) in Japan. Due to the technological dependencies, the Company's equity ownership and representation on MetCom's board of directors, the Company has significant influence, but not controlling interest, over MetCom. The Company's investment in MetCom is accounted for under the equity method. The basis difference in the Company's cost basis and the basis reflected at the investee entity level is allocated to equity method goodwill and is not amortized. The Company recognized a loss of \$174 thousand for the year ended December 31, 2024 in other income (loss), net. The carrying value of the Company's investment in MetCom was \$530 thousand as of December 31, 2024 and is classified in other assets. As of December 31, 2024 and December 31, 2023, the Company had \$13 thousand and \$107 thousand in accounts receivable from MetCom, respectively.

The Company holds a warrant (the "Warrant") issued by MetCom that entitles the Company to purchase additional shares at an exercise price of JPY 10 per share, such that the Company may obtain an aggregate total of 33% of MetCom common stock on an "as-converted" basis. The Warrant is subject to certain vesting conditions which were not met as of December 31, 2024; therefore, the Warrant was not exercisable.

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**7. Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consisted of the following:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Accrued salary and other employee liabilities	\$ 4,837	\$ 3,913
Accrued legal and professional services	1,266	324
Accrued interest	583	583
Other accrued liabilities	1,850	1,772
Total	<u>\$ 8,536</u>	<u>\$ 6,592</u>

**8. Long-term debt, net**

On May 9, 2023 (the “Initial Closing”), pursuant to the terms of the Note Purchase Agreement (the “NPA”) and Indenture Agreement (the “Indenture”), the Company issued \$50.0 million in aggregate principal amount of senior secured notes (the “Original Notes”) with a fixed interest rate of 10% to a group of lenders (the “Lenders”) including Whitebox Advisors LLC, Susquehanna International Group, and Clutterbuck Capital Management. The Original Notes will mature on December 1, 2026 with interest payable semi-annually in arrears on June 1 and December 1 of each year. The Company may elect, in its sole discretion, to pay up to 50% of the accrued and unpaid interest on the Notes due with its common stock.

Under the NPA, the Lenders had the right, but not the obligation, to purchase additional Notes (the “Additional Notes” and, together with the Original Notes, the “Notes”), on a pro rata basis, in an aggregate principal amount of \$20.0 million, to be exercisable within 30 days of the Initial Closing. Subsequent to the Initial Closing, on June 8, 2023, the note purchasers elected to purchase such Additional Notes in aggregate principal amount of \$20.0 million. The Additional Notes were issued on July 6, 2023. The terms and conditions of the Additional Notes are the same as the Original Notes.

In conjunction with the issuance of the Original Notes, the Company issued 18,518,520 warrants (the “Initial Warrants”) at an exercise price of \$2.16 per share and with the issuance of the Additional Notes, the Company issued an additional 7,407,407 warrants (the “Additional Warrants” and, together with the Initial Warrants, the “Debt Warrants”) at an exercise price of \$2.16 per share to purchase shares of the Company’s common stock to the Lenders. The fair value of the Initial Warrants and the Additional Warrants was \$14.6 million and \$8.2 million, respectively, on the respective issuance date and was classified as debt discount. The fair value was determined based on no observable pricing inputs in the market and is categorized accordingly as Level 3 in the fair value hierarchy. The Company agreed to file a registration statement under the Securities Act of 1933, as amended (the “Securities Act”), registering the resale of the Debt Warrants and the shares of common stock underlying the Debt Warrants within 35 business days of the Initial Closing. The Company filed such registration statement with the United States Securities and Exchange Commission (“SEC”) on June 23, 2023, which the SEC declared effective on June 29, 2023.

The carrying value of the Notes was \$54.6 million as of December 31, 2024 net of debt discount of \$15.4 million. Net amortization of the debt discount totaled \$6.2 million for the year ended December 31, 2024. The total estimated fair value of the Notes approximates the carrying value of the Notes as of December 31, 2024. The fair value was determined based on non-observable pricing inputs in the market and is categorized accordingly as Level 3 in the fair value hierarchy.

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*Additional Interest*

The Notes are subject to additional interest of up to 0.50% per annum if (i) the Company fails to timely make certain required filings with the SEC, until such filings are made, or (ii) the Notes are not otherwise freely tradeable under Rule 144 under the Securities Act.

*Redemption and Early Repayment*

The Company may redeem the Notes, in whole or in part, at any time on or after May 9, 2024 (the one year anniversary of the Initial Closing) at a redemption price equal to 101% of the principal amount of the Notes, plus any accrued and unpaid interest.

In the event of certain non-ordinary course asset sales, including sales of certain intellectual property or spectrum licensed by the FCC to the Company or its subsidiaries, the Company must make a mandatory repurchase offer for a portion of the Notes outstanding with the proceeds of such sale, at a price equal to 100% of the aggregate principal amount of the Notes with accrued and unpaid interest, subject to certain thresholds and limitations set forth in the Indenture.

In the event of a change of control, each holder has the right, at such holder's option and subject to the limitations set forth in the Indenture, to require the Company to repurchase for cash all or any portion of such holder's Notes at a price equal to 101% of the aggregate principal amount with accrued and unpaid interest.

*Debt Covenant Compliance*

The Notes are guaranteed on a first lien senior secured basis by NextNav's domestic subsidiaries and secured by substantially all of the assets of the Company and its domestic subsidiaries.

The Indenture contains customary covenants limiting the ability of the Company and its subsidiaries to incur or guarantee additional indebtedness; pay dividends or distributions on, or redeem or repurchase, capital stock; make certain investments or other restricted payments; sell assets; enter into transactions with affiliates; and merge or consolidate or sell all or substantially all of its assets. These covenants are subject to a number of important and significant limitations, qualifications and exceptions. The Indenture also contains customary events of default. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding and additional interest of up to 2.00% per annum under the Indenture.

As of December 31, 2024, the Company was in compliance with all of the applicable debt covenants described above.

**9. Warrants and Warrant Liability**

As of December 31, 2024, NextNav had 29,736,493 warrants outstanding, which includes: (a) 14,509,768 public warrants associated with Spartacus Acquisition Corp.'s ("Spartacus") initial public offering (the "Public Warrants") and (b) 4,240,192 warrants issued to Sponsor in a private placement on the initial public offering closing date (the "Private Placement Warrants") and (c) 10,986,533 warrants issued in connection with the Notes (the Debt Warrants, as further described in Note 8).

The Private Placement Warrants are classified as a liability on the Company's Consolidated Balance Sheet as of December 31, 2024 and 2023. During the twelve months ended December 31, 2024 and 2023, 3,510,338 and 999,470 Private Placement Warrants, respectively, were reclassified from liability to equity. The terms included in the Private Warrants that initially precluded equity classification were no longer applicable. Accordingly, NextNav reclassified \$11.5 million and \$1.2 million from warrant liability to additional paid-in capital in its Consolidated Balance Sheet as of December 31, 2024 and 2023, respectively. As of December 31, 2024, the Company recorded \$33.2 million to the Consolidated Statement of Comprehensive Loss as a fair value adjustment for the Private Placement Warrants.

Holders of the Public Warrants and Private Placement Warrants are entitled to acquire shares of common stock of NextNav. Each whole warrant entitles the registered holder to purchase one share at an exercise price of \$11.50 per share. The Public Warrants and Private Placement Warrants expire on October 28, 2026.

NextNav has the right to redeem the outstanding Public Warrants in whole and not in part at a price of \$0.01 per warrant upon a minimum of 30 days' prior written notice of redemption, if and only if the last sales price of the Company's common stock matched or exceeded \$18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which NextNav sends the notice of redemption to the warrant holders.

The Private Placement Warrants are identical in all respects to the Public Warrants except that, so long as they are held by the Sponsor or its permitted transferees: (i) they will not be redeemable by NextNav; (ii) they may be exercised by the holders on a cashless basis; and (iii) they are subject to registration rights.

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**10. Fair Value**

NextNav uses observable and unobservable inputs to determine the value of its assets and liabilities recorded at fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect internal market assumptions. The three-tier hierarchy for inputs used to measure fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, where applicable, is as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities
- Level 2 — Observable inputs other than quoted prices in active markets for identical assets and liabilities
- Level 3 — No observable pricing inputs in the market

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. NextNav's assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy. NextNav effectuates transfers between levels of the fair value hierarchy, if any, as of the date of the actual circumstance that caused the transfer.

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The following table presents the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	(in thousands)			
<b>December 31, 2024</b>				
Cash and Cash Equivalents - Money market funds	\$ 151	\$ —	\$ —	\$ 151
Cash and Cash Equivalents - Available-for-sale debt securities with fair value option election	—	34,485	—	34,485
Short term investments - Available-for-sale debt securities with fair value option election	—	40,785	—	40,785
Private Placement Warrants	—	—	28,707	28,707
<b>December 31, 2023</b>				
Cash and Cash Equivalents - Money market funds	127	—	—	127
Cash and Cash Equivalents - Trading debt securities	—	79,425	—	79,425
Short term investments - Trading debt securities	—	3,954	—	3,954
Private Placement Warrants	\$ —	\$ —	\$ 7,053	\$ 7,053

The carrying values of cash and cash equivalents, accounts payable, accrued expenses, amounts included in other current assets and current liabilities that meet the definition of a financial instrument, approximate fair value due to their short-term nature.

Assets, liabilities, and equity instruments that are measured at fair value on a nonrecurring basis include fixed assets and intangible assets. The Company recognizes these items at fair value when they are considered to be impaired or upon initial recognition. The fair value of these assets and liabilities are determined with valuation techniques using the best information available and may include quoted market prices, market comparables and discounted cash flow models.

**Level 3 Liabilities**

The Company engaged a third-party valuation firm to assist with the fair value analysis of the warrants. The analysis used commonly accepted valuation methodologies and best practices to determine the fair value of the equity, in accordance with fair value standards and U.S. GAAP. For the Private Placement Warrants that were outstanding as of December 31, 2024 and 2023, NextNav used a Monte Carlo simulation model. The following table shows the assumptions used in each respective model:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Values</u>	<u>Values</u>
Stock Price	\$ 15.56	\$ 4.45
Strike price	\$ 11.50	\$ 11.50
Holding Period/Term (years)	1.82	2.82
Volatility	55.90%	66.90%
Expected dividends	None	None
Risk-Free Rate	4.23%	4.05%
Fair value of warrants	\$ 6.77	\$ 0.91

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The table below provides a reconciliation of the beginning and ending balances for the liabilities measured at fair value using significant unobservable inputs (Level 3).

<b>Warrants:</b>	<b>(in thousands)</b>
Balance as of January 1, 2024	\$ 7,053
Fair value adjustment of Private Placement Warrants	33,177
Reclassification of Private Placement Warrants to Public Warrants	(11,523)
<b>Balance as of December 31, 2024</b>	<b>\$ 28,707</b>

## 11. Common Stock

As of December 31, 2024, NextNav had authorized the issuance of 600,000,000 shares of capital stock, par value, \$0.0001 per share, consisting of (a) 500,000,000 shares of common stock and (b) 100,000,000 shares of undesignated preferred stock. As of December 31, 2024, NextNav had 131,268,940 shares of common stock issued and 131,136,712 shares of common stock outstanding. The Company did not have any undesignated preferred stock issued or outstanding as of December 31, 2024 and 2023.

## 12. Equity-Based Compensation

### NextNav 2021 Omnibus Incentive Plan

In October 2021, the Company adopted the NextNav 2021 Omnibus Incentive Plan (the “Omnibus Plan”). The Omnibus Plan became effective upon consummation of the Business Combination and succeeds the Incentive Plan. Upon adoption of the Omnibus Plan, a total of 12,818,902 shares were approved to be issued as stock options and restricted stock awards under the Omnibus Plan. In addition, the Omnibus Plan provides for annual increases in the number of shares available for issuance thereunder on the first day of the fiscal year, equal to the lesser of: (i) 5,636,259 shares; or (ii) a lesser number of shares as determined by the Company’s Board of Directors. (the “Board”). The vesting period of awards granted under the Omnibus Plan is determined by the Board, although, for service-based awards vesting has historically been generally ratably over a four-year period. As of December 31, 2024, a total of 10,326,312 shares were available for future issuance under the Omnibus Plan.

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**Stock Options Valuation**

The Black-Scholes option pricing model requires NextNav to make certain assumptions, including the fair value of the underlying units, the expected term, the expected volatility, the risk-free interest rate, and the dividend yield. The expected term of option awards is calculated as the midpoint between the vesting date and the end of the contractual term. Historical data is not sufficient to reasonably estimate the expected term of new grants. The expected dividend rate of zero is based on the fact that NextNav has not historically paid and does not expect to pay a dividend on its common stock. The risk-free interest rate was based on U.S. Treasury yields for securities with similar terms. Volatility was calculated based on the trading prices for a group of comparable public companies.

Assumptions used in determining the fair value of Stock Options issued each year are as follows:

	Year Ended December 31,	
	2024	2023
Expected volatility	67.80 - 70.40%	60 - 67.2%
Expected term (years)	6.06 - 6.11	4.41 - 6.25
Expected dividends	—	—
Risk-free rate	3.54 - 4.43%	3.58 - 4.23%

The following table summarizes stock option activity under the Omnibus Plan:

	Number of Shares	Weighted Average Exercise Price per Unit	Weighted- Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
(in thousands, except per share data)				
<b>Options outstanding at December 31, 2023</b>	3,641	\$ 2.66	\$ 8.13	\$ 8,388
Granted	1,898	5.42	—	—
Cancelled	530	3.57	—	—
Expired	—	—	—	—
Exercised	1,381	2.74	—	—
<b>Options outstanding at December 31, 2024</b>	<u>3,628</u>	<u>\$ 3.94</u>	<u>\$ 8.07</u>	<u>\$ 42,142</u>
Options exercisable at December 31, 2024	1,391	\$ 2.17	\$ 6.63	\$ 18,625
Options exercisable at December 31, 2023	1,744	\$ 1.92	\$ 7.20	\$ 5,407
Unvested at December 31, 2024	2,237	\$ 5.05	\$ 8.97	\$ 23,517
Unvested at December 31, 2023	1,897	\$ 3.35	\$ 8.99	\$ 2,982

The weighted average grant date fair value of options granted during the years ended December 31, 2024 and 2023 was \$5.08 and \$2.52, respectively. The intrinsic value of options exercised during the years ended December 31, 2024 and 2023 was \$12.82 million and \$1.09 million, respectively.

As of December 31, 2024, the total compensation cost related to nonvested awards not yet recognized was \$5.32 million and the weighted-average period over which it is expected to be recognized was 2.95 years.

Equity-based compensation expense of \$3.2 million and \$2.57 million related to stock option equity awards was recognized during the years ended December 31, 2024 and 2023, respectively.



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**Restricted Stock Awards and Restricted Stock Units**

The Company's restricted stock awards are comprised of Restricted Stock Awards ("RSAs") and Restricted Stock Units ("RSUs"). The following table summarizes RSA and RSU activity during the year ended December 31, 2024:

	<u>Restricted Stock Units</u>	<u>Restricted Stock Awards</u>	<u>Total Restricted Awards</u>	<u>Weighted- Average Grant-Date Fair Value</u>
	(in thousands, except per share data)			
Units nonvested at January 1, 2024	4,986	334	5,320	\$ 3.79
Units granted in 2024	2,678	269	2,947	5.11
Units cancelled in 2024	807	—	807	3.72
Units vested in 2024	2,456	372	2,828	4.05
Units nonvested at December 31, 2024	<u>4,401</u>	<u>231</u>	<u>4,632</u>	<u>\$ 4.49</u>

The grant date fair value of RSAs and RSUs granted during the year ended December 31, 2024 was \$15.1 million. The total fair value of RSAs and RSUs vested upon grant and vested during the year ended December 31, 2024 was \$11.5 million.

As of December 31, 2024, the total compensation cost related to RSAs and RSUs not yet recognized was \$14.0 million and the weighted-average period over which it is expected to be recognized was 2.36 years.

Equity-based compensation expense of \$10.7 million related to the RSAs and RSUs was recognized during the year ended December 31, 2024.

**13. Commitments and Contingencies**

**Litigation and Legal Matters**

From time to time, the Company may be party to litigation and other legal matters incidental to the conduct of its business. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. The Company accrues liabilities for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. As of December 31, 2024, the Company was not involved in any such matters, individually or in the aggregate, which management believes would have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

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**14. Income Taxes**

On October 28, 2021, the Company became the owner of Holdings and the various operating subsidiaries of Holdings upon consummation of the Business Combination. Holdings is taxed as a partnership, and as such is generally not subject to federal, state, or local income tax directly. Rather, its members are subject to income taxations based on the member's portion of Holdings' income or loss. Accordingly, in addition to the Company's operating activities, the Company will also incur income taxes on its allocable share of any net taxable income of Holdings.

Holdings' non-operating subsidiary, CommLabs, Inc., is taxed as a U.S. corporation. Holdings, through its subsidiaries, also owns an Indian subsidiary, Commlabs Technology Centre Pvt. Ltd. ("Commlabs India"), which is taxed as a corporation in India and, as such, is subject to Indian entity-level income tax. Additionally in October of 2022, the Company acquired NextNav France, which is taxed as a corporation in France and as such is subject to French entity-level income tax.

U.S. and international components of (loss) income before income taxes were comprised of the following for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
United States	\$ (102,253)	\$ (71,845)
Foreign	547	331
Total	<u>\$ (101,706)</u>	<u>\$ (71,514)</u>

The benefit (provision) for income taxes consisted of the following for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Benefit (Provision) for income taxes:		
Current:		
Federal	\$ —	\$ —
State	—	(21)
Foreign	(173)	(122)
Total current	<u>\$ (173)</u>	<u>\$ (143)</u>
Deferred:		
Federal	—	—
State	—	—
Foreign	—	(78)
Total deferred	<u>\$ —</u>	<u>\$ (78)</u>
Benefit (provision) for income taxes:	<u>\$ (173)</u>	<u>\$ (221)</u>

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The benefit from or provision for income taxes differs from the amount computed by applying the federal statutory income tax rate to the Company's loss or income before income taxes as follows for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Income Tax Expense at Federal Statutory Rate	21.00%	21.00%
Permanent items	(9.53)%	(1.23)%
State taxes, net of federal tax effect	2.83%	5.49%
Change in Valuation Allowance	(11.70)%	(45.30)%
Other permanent differences	0.02%	3.84%
Rate change	(2.79)%	15.90%
Effective income tax rate	<u>(0.17)%</u>	<u>(0.30)</u>

The change in the Company's effective tax rate in 2024, as compared to the prior year, was primarily due to the change in pre-tax book income and the recording of a valuation allowance against the French deferred tax assets in 2023. Additionally, the difference in the Company's effective tax rate to the statutory rate is driven by the need for a full valuation allowance in the U.S and France.

The Tax Cuts and Jobs Act enacted in December of 2017 requires certain Global Intangible Low Income ("GILTI") earned by a controlled foreign corporation ("CFC") to be included in the gross income of the CFC's U.S. shareholder. The Company has elected the "period cost method" and treats taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period expense when incurred.

As of December 31, 2024, the Company has accumulated undistributed earnings generated by Commlabs India of approximately \$1.5 million. The Company has an accumulated deficit with respect to NextNav France. Because all of these earnings generated by Commlabs have previously been subject to the one-time transition tax on foreign earnings required by the Tax Cuts and Jobs Act of 2017, any additional taxes due with respect to such earnings or the excess of the amount for financial reporting over the tax basis of the Company's foreign investments would generally be limited to withholding taxes and state taxes. The Company intends, however, to indefinitely reinvest these earnings and expects future U.S. cash generation to be sufficient to meet future U.S. cash needs.

Deferred income taxes reflect the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities were as follows for the periods indicated:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Deferred tax assets, net		
Net operating loss carryforwards	\$ 50,167	\$ 35,260
Stock Compensation	1,148	1,235
Basis in underlying investments	76,913	82,279
Section 163(j) interest limitation	5,905	3,606
Other Deferred Balances	274	260
Gross deferred tax assets	\$ 134,407	\$ 122,640
Valuation allowance	(133,165)	(121,269)
Deferred tax assets, net of valuation allowance	\$ 1,242	\$ 1,371
Deferred tax liabilities		
Intangibles	(1,242)	(1,371)
Total deferred tax liabilities	\$ (1,242)	\$ (1,371)
Total net deferred tax (liability) asset	<u>\$ —</u>	<u>\$ —</u>

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Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets (“DTA”). A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2024. Such objective evidence limits the ability to consider other subjective evidence, such as the Company’s projections for future growth.

On the basis of this evaluation, as of December 31, 2024, a valuation allowance of \$133.3 million has been recorded because management has concluded that it is more likely than not that such DTA will ultimately not be realized. The amount of the DTA considered realizable, however, could be adjusted in future years if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as the Company’s projections for growth.

As of December 31, 2024 and 2023 the Company did not have any unrecognized income tax benefits.

The Company has U.S. income tax net operating loss (“NOL”) carryforwards of \$186.3 million and \$127.2 million as of December 31, 2024, and 2023, respectively. \$5.0 million of the NOLs are expected to expire beginning in 2027 while the remaining \$181.3 million can be carried forward indefinitely. The Company also has various state NOL carryforwards of \$267.4 million and \$184.2 million as of December 31, 2024 and December 31, 2023 respectively which are expected to expire beginning in 2041. The Company’s NOLs in the U.S. may be limited under Section 382 of the Internal Revenue Code (“IRC”). NOLs are limited when there is a significant ownership change as defined by the IRC Section 382. At this time, the Company expects that none of its federal NOLs will expire unutilized as a result of a limitation under Section 382.

The Company had foreign NOLs as of December 31, 2024 of 7.0 million attributable to NextNav France which can be carried forward indefinitely.

The Company is subject to taxation in the United States, various states within the United States, India, and France. Each jurisdiction has its own statute of limitations for making assessment of additional tax liabilities. As of December 31, 2024 due to its net operating losses, all the Company’s tax years remained open for U.S. Federal and state income tax purposes. India has a 4-year statute of limitations, so years prior to 2017 are closed. France has a statute of limitation tax expires 3 years following the year that triggered the liability.

#### **15. Retirement Plan**

NextNav sponsors a defined contribution benefit plan to provide retirement benefits for its employees. Participants may make voluntary contributions not to exceed maximum allowable contribution amounts. NextNav made discretionary contributions and matching contributions, totaling \$0.4 million for each of the years ended December 31, 2024 and 2023.

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**16. Segments**

NextNav operates as one operating segment. Information on the Company's products and service offerings are included in Note 1 - Organization and Business. The accounting policies of the single operating segment are the same as those described in Note 2 - Summary of Significant Accounting Policies.

NextNav's chief operating decision maker ("CODM") is its Chief Executive Officer, who reviews financial information presented on an entity-wide basis for purposes of making operating decisions, assessing financial performance, and allocating resources.

The CODM assesses performance and decides how to allocate resources based on consolidated net loss that also is reported on the Consolidated Statements of Comprehensive Loss. Consolidated net loss is used to monitor budget versus actual results and in the annual budgeting and forecasting process. The measure of segment assets is reported on the Consolidated Balance Sheets as total consolidated assets. The CODM reviews cash flow forecasts in making capital and investment decisions. The CODM considers budget-to-actual variances in consolidated net loss monthly in determining performance and the compensation of employees.

NextNav does not have any intra-entity sales or transfers during the years ended December 31, 2024 or 2023.

Segment financial information for the years ended December 31, 2024 and 2023, is as follows:

	<b>Year Ended December 31,</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
Revenue	\$ (5,669)	\$ (3,862)
Less:		
Technology Development Expenses	7,660	9,701
Business Operation Expenses	19,091	17,757
General and Administrative Expenses	18,967	13,541
Depreciation and amortization	5,238	4,821
Interest expense, net	9,401	3,664
Change in fair value of warrants	33,177	4,101
Other segment items <sup>1</sup>	13,841	21,791
Provision for income taxes	173	221
Consolidated net loss	<u>\$ 101,879</u>	<u>\$ 71,735</u>

<sup>1</sup> Other segment items include equity-based compensation, non-cash rent expense, capitalized labor costs, accretion expense on asset retirement obligations and other income (loss).

Substantially all long-lived tangible assets are located in the United States.

For the year ended December 31, 2024, three customers accounted for 57%, 18% and 11% of total revenue. For the year ended December 31, 2023, two customers accounted for 75% and 10% of total revenue. Substantially all revenue was generated from the United States.

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**17. Subsequent Events**

The Company has completed an evaluation of all subsequent events through the date of this Annual Report on Form 10-K to ensure that these financial statements include appropriate disclosure of events both recognized in the financial statements and events which occurred but were not recognized in the financial statements. The Company notes the following:

***Note Purchase Agreement***

On March 12, 2025, the Company entered into a Note Purchase Agreement (the “NPA”) among the Company and certain purchasers named therein, including Fortress Investment Group LLC, a 10% or greater stockholder of the Company, and an entity affiliated with Neil S. Subin, a director of the Company (the “Purchasers”), pursuant to which the Company agreed to sell to the Purchasers, in a private placement (the “Private Placement”), pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Regulation D promulgated thereunder, (a) \$190 million in aggregate principal amount of its 5.00% Senior Secured Convertible Notes due 2028 (the “2028 Notes”) and (b) certain common stock purchase warrants (the “Warrants”) to purchase shares of the Company’s common stock, par value \$0.0001 per share (“Common Stock”).

The Private Placement is expected to close on or about March 31, 2025 (the “Closing Date”). The Company expects to receive gross proceeds of \$190 million in the Private Placement. The Company intends to use a portion of the net proceeds from the Private Placement to redeem all of its \$70 million aggregate principal amount of 10% Senior Secured Notes due 2026.

***Indenture and Security Agreement***

The 2028 Notes will be issued at an issue price of 100% of their principal amount pursuant to an indenture (the “Indenture”), among the Company, certain subsidiaries of the Company named therein as notes guarantors (the “Guarantors”) and GLAS Trust Company, LLC, as trustee and notes collateral agent (“GLAS Trust”). The Guarantors will agree, jointly and severally, to unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on the 2028 Notes. The 2028 Notes will be secured under a security agreement (the “Security Agreement”), among the Company, the Guarantors and GLAS Trust.

The 2028 Notes will be issued in an aggregate principal amount of \$190 million. The 2028 Notes will bear interest at an annual rate of 5.00% and mature on June 30, 2028. Interest on the 2028 Notes is payable semi-annually in arrears on each of June 1 and December 1, commencing on June 1, 2025. If at any time on or after six months from the Closing Date, the Company fails to timely make certain required filings with the U.S. Securities and Exchange Commission (the “SEC”), the Company is obligated to pay additional interest amounts on the 2028 Notes of up to 0.50% per annum, until such filings are made or the 2028 Notes are otherwise freely tradeable under Rule 144 under the Securities Act.

The Company may redeem the 2028 Notes, in whole or in part, at any time on or after the one year anniversary of the Closing Date at a redemption price equal to 100% of the principal amount of such 2028 Notes, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption if the last reported sale price of Common Stock is greater than or equal to 160% of the conversion price for the 2028 Notes then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption.

**NEXTRAV INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

In the event of certain non-ordinary course asset sales, including sales of certain intellectual property or spectrum licensed by the Federal Communications Commission to the Company or its subsidiaries, the Company must make a mandatory repurchase offer for a portion of the 2028 Notes outstanding with the proceeds of such sale, at a price equal to 100% of the aggregate principal amount of the 2028 Notes subject to such repurchase, together with accrued and unpaid interest thereon to the date of the repurchase, subject to certain thresholds and limitations set forth in the Indenture.

Holders may redeem some or all of the 2028 Notes at any time into a number of shares of Common Stock equal to (i) the sum of the then-outstanding principal amount of 2028 Notes to be converted plus all accrued and unpaid interest to the date of the conversion divided by (ii) \$12.56 (the “Conversion Shares”).

In the event of a Fundamental Change (as defined in the Indenture), each holder has the right, at such holder’s option and subject to the limitations set forth in the Indenture, to require the Company to repurchase for cash all of such holder’s 2028 Notes in an amount equal to the greater of (i) the then outstanding principal amount of 2028 Notes held plus all accrued and unpaid interest to such date and (ii) the consideration each holder of 2028 Notes would have received if such older had converted the 2028 Notes into Common Stock immediately prior to such Fundamental Change.

The Indenture contains customary covenants limiting the ability of the Company and its subsidiaries to (i) incur or guarantee additional indebtedness; (ii) pay dividends or distributions on, or redeem or repurchase, capital stock; (iii) make certain investments or other restricted payments; (iv) sell assets; (v) enter into transactions with affiliates; or (vi) merge or consolidate or sell all or substantially all of their assets. These covenants are subject to a number of important and significant limitations, qualifications and exceptions. The Indenture also contains customary events of default.

The obligations of the Company under the 2028 Notes will be, subject to certain customary exceptions, secured by substantially all of the assets of the Company and the Guarantors.

***Warrants***

Pursuant to the NPA, the Company is obligated to issue Warrants to purchase 7,800,000 shares of Common Stock (the “Warrant Shares”) on the Closing Date with exercise prices ranging from \$12.56 to \$20.00 per share.

Exercise of the Warrants is subject to a beneficial ownership limitation of 4.9% of Common Stock, except with respect to holders who own more than 4.9% of Common Stock as of immediately prior to the Closing Date or holders who subsequently elect to terminate such 4.9% limitation upon not less than 61 days’ prior written notice to the Company. Exercise of the Warrants will not be permitted to the extent such exercise, taken together with the exercise of all of the Warrants, would cause the Company to have issued more than 19.9% of Common Stock outstanding on the business day immediately prior to the issuance date of the Warrants.

***Registration Rights Agreement***

The Company has agreed to file a registration statement under the Securities Act registering the Warrants, Conversion Shares and Warrant Shares within 35 calendar days of the Closing Date; and the Company has agreed to cause any such registration statement to be declared effective within five business days of notification by the SEC that it does not intend to review such registration statement, or within five business days of the resolution of all comments from the SEC with respect to such registration statement.

## NEXTNAV INC.

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INSIDER TRADING POLICY

(Effective October 28, 2021, Last Revision August 6, 2024)

**1. Introduction and Purpose**

This Insider Trading Policy (this “**Policy**”) summarizes the law relating to insider trading and sets out the policy of NextNav Inc. (together with its subsidiaries, the “**Company**” or “**NextNav**”) on directors, officers, employees and consultants of the Company (collectively, “**Associates**”) dealing in the securities of NextNav.

If you do not understand any of the following summaries of law or this Policy, or how it applies to you, you should raise the matter with the General Counsel (the “**Compliance Officer**”) before trading in any securities that may be affected by this Policy or the law. The General Counsel shall serve as the Compliance Officer for the purposes of this Policy, and the Compliance Officer’s may designate another employee who shall also be responsible for administration of this Policy. All determinations and interpretations by the Compliance Officer shall be final and not subject to further review.

This Policy is only a summary of complex legal provisions, and should therefore only be used as a general guide, not as legal advice.

**2. The Insider Trading Prohibition**

If you have “material nonpublic” information relating to NextNav, it is illegal for you to:

- A.** buy or sell or offer to buy or sell, or otherwise deal in, NextNav securities, whether or not issued by the Company;
- B.** advise, procure or encourage another person (for example, a family member, a friend, a family company or trust) to buy or sell NextNav securities; or
- C.** pass on information to any other person, if you know or ought reasonably to know that the person may use the information to buy or sell (or procure another person to buy or sell) NextNav securities.

This Policy applies to transactions in the Company’s securities, including the Company’s common stock, warrants, options to purchase common stock, including any securities that are exercisable for, or convertible or exchangeable into, shares of common stock or any other type of securities that the Company may issue, including (but not limited to) preferred stock, notes, convertible debentures and warrants, options and other derivative securities (including derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company’s securities).

It is the responsibility of each Associate to ensure that she, he or it does not do any of the things prohibited by this Policy or insider trading laws, whether or not specifically prohibited by this Policy. The consequences for breach of this Policy or such laws may be severe.

As an Associate, this Policy applies to you. The same restrictions that apply to you apply to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in NextNav securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company securities (each a “**Related Person**” and collectively, “**Related Persons**”). You are responsible for making sure that the purchase or sale of any security covered by this Policy by any such Related Person complies with this Policy. Therefore, you should make them aware of the need to confer with you before they trade in Company securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account.

This Policy applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as “**Controlled Entities**”), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

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There are no exceptions to this Policy, except as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not exempted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

### **3. What is "Material" Information?**

Material information means information relating to NextNav that would, if the information were publicly known:

- be likely to have an effect, positive or negative, on the price of NextNav securities; or
- be information that a reasonable investor would want to know in deciding whether or not to buy, hold or sell NextNav securities.

Examples of possible material information include, but are not limited to:

- Consolidated financial condition and results of operation of the Company, including quarterly and annual results, or financial results of any significant subsidiary, business or unit;
  - Financial performance of the Company or any of the Company's technologies, products and services;
  - Forward-looking information regarding the Company's consolidated financial performance, such as earnings guidance, projections or "outlook" for future financial results;
  - Regulatory developments with respect to the Company's technologies, products and services;
  - Imposition of an internal restriction on trading in Company securities or in the securities of another company with which the Company conducts business or may engage in acquisitions, joint ventures or other transactions, or the extension or termination of such restriction;
  - A proposed dividend or a change in dividend policy;
  - An actual or proposed change to the Company's capital structure, including a stock split;
  - An offering of Company securities;
  - The establishment of, or any significant developments or changes regarding, a repurchase program for common stock or other Company securities (such as planned repurchases, increases or decreases in the program's authorization, suspensions and similar changes);
  - Redemption, retirement or modification of outstanding debt securities or other indebtedness;
  - Incurrence of significant indebtedness under bank borrowings or other financing transactions outside the ordinary course of business;
  - Pending or proposed mergers, investments, acquisitions, dispositions or tender offers;
  - Pending or proposed joint ventures or other major transactions;
  - Entry into or termination of a material contract (such as a license agreement, joint venture, strategic alliance or collaboration);
  - Gain or loss of a significant customer or supplier;
  - Changes in the Company's pricing or cost structure;
  - Changes to previously announced earnings guidance or the decision to suspend earnings guidance;
  - Major marketing changes;
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- Development of a significant new service, product, process or technical innovation;
- A restructuring of the Company;
- Impending bankruptcy or the existence of severe liquidity issues;
- Significant related party transactions;
- Major changes in senior management or the board of directors;
- Significant actual or potential cybersecurity incidents (e.g., a data breach or any other significant disruption in the Company's operations, or loss, potential loss, breach or unauthorized access of its property or assets, whether at its facilities or through its information technology infrastructure);
- Pending or threatened significant litigation or government agency inquiries or investigations, or a development or resolution of such litigation, inquiry or investigation;
- Write-ups or write-downs of assets or changes in accounting methods; or
- Change in independent auditor or notification that reports of the independent auditor may no longer be relied on.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event could have on the Company's operations or stock price should it occur. Thus, information concerning an event that could have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. If you are unsure whether information is material, you should consult the Compliance Officer before making any decision to disclose such information (other than to persons employed by the Company who have a need to know it) or to trade in or recommend securities to which that information relates.

#### 4. When is the Information "Nonpublic"?

Information is nonpublic if it has not been disclosed generally to the market or to the investing public. Unless such information was disseminated in a manner designed to reach investors generally and at least one full Trading Day elapsed between the time of the event or when the information became known and its public disclosure, it shall be deemed to be "Nonpublic." Information generally would be considered disseminated if it has been disclosed through a press release, a broadcast on widely-available radio or television programs, publication in a widely- available newspaper, magazine or news website, newswire services or public disclosure documents filed with the SEC that are available on the SEC's website (such as Form 8-K, Form 10-Q and Form 10-K). Nonpublic information may include: (x) information available to a select group of analysts or brokers or institutional investors; (y) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; or (z) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally one Trading Day). By contrast, information would likely not be considered disseminated if it is available only to the Company's employees, or if it is only available to a select group of persons, such as analysts, brokers and institutional investors. In addition, please be aware that disclosure on the Company's website, by itself, may not be considered wide dissemination.

Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until after the second Trading Day after the day on which the information is released. If, for example, the Company were to make an announcement on a Monday, you should not trade in Company securities until Thursday. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

- For purposes of this Policy, "**Trading Day**" means a day on which the Nasdaq Stock Market, LLC is open for trading.
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## 5. Special and Prohibited Transactions

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It is therefore the Company's policy that Associates may not engage in any of the following transactions:

- A. Short-Term Trading: Short-term trading of Company securities may be distracting to the person and may unduly focus the person on the Company's short-term share market performance instead of the Company's long-term business objectives.
- B. Short Sales: Short sales of Company securities (*i.e.*, the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of Company securities are prohibited. In addition, Section 16(c) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), generally prohibits executive officers and directors from engaging in short sales.
- C. Publicly Traded Options: Given the relatively short term of publicly traded options, transactions in options may create the appearance that an Associate is trading based on material nonpublic information and focus such Associate's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy.
- D. Hedging Transactions: Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds or other transactions which hedge or offset, or are designed to hedge or offset, any decrease in the market value of Company securities. Such hedging transactions may permit an Associate to continue to own Company securities obtained through company benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the Associate may no longer have the same objectives as the Company's other stockholders. Therefore, Associates are prohibited from engaging in any such transactions.
- E. Margin Accounts and Pledged Securities: Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, Associates are prohibited from holding Company securities in a margin account or otherwise pledging Company securities as collateral for a loan.
- F. Standing and Limit Orders: Standing and limit orders (except standing and limit orders under approved 10b5-1 Trading Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when an Associate is in possession of material nonpublic information. The Company therefore discourages placing standing or limit orders on Company securities (except standing and limit orders under an approved 10b5-1 Trading Plan, as described below). If a person subject to this Policy determines that they must use a standing order or limit order, that person must contact the Compliance Officer for clearance to place the order.

## 6. Additional Procedures

The Company has established additional procedures in order to assist the Company in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while in possession of material nonpublic information, and to avoid the appearance of any impropriety. These additional procedures are applicable only to those individuals described below.

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- A. Pre-Clearance Procedures. All directors, executive officers and other personnel of the Company and its subsidiaries who are subject to the reporting and “short-swing profit” liability provisions of Section 16 of the Exchange Act and any other persons designated by the Compliance Officer as being subject to these procedures, as well as their Related Persons and Controlled Entities (all of the foregoing are referred to as “**Restricted Persons**”), may not engage in any transaction in the Company’s securities without first obtaining written pre-clearance from either the Compliance Officer. Restricted Persons are more likely to have access to material nonpublic information because of their positions or affiliations with the Company and, as a result, their trades in the Company’s securities are more likely to be subject to greater scrutiny. A request for pre-clearance should be submitted to either the Compliance Officer at least two Trading Days before the proposed transaction and shall comply with any other procedures established by the Compliance Officer. Neither the Compliance Officer is under any obligation to approve a transaction submitted for pre-clearance and will have sole discretion to determine whether to permit the transaction. In evaluating each proposed transaction, each of the Compliance Officer may consult as necessary with other members of senior management or outside counsel.

If a Restricted Person seeks pre-clearance and the request is denied by any of the Compliance Officer, then he or she should refrain from engaging in any transaction in the Company’s securities, and should not inform any other person of the restriction. Moreover, pre-clearance does not, in any circumstance, relieve anyone of his or her legal obligation to refrain from trading while in possession of material nonpublic information. In other words, even if pre-clearance is received, if the requesting person becomes aware of material nonpublic information or becomes subject to a blackout period or event-specific trading restriction (as discussed below), the transaction may not be completed. Pre-clearance of a transaction is valid only for the two (2) Trading Day period immediately following receipt by the Restricted Person of such pre-clearance.

When a request for pre-clearance is made, the requesting person should carefully consider whether he or she may be aware of any material nonpublic information about the Company and should provide a detailed description of those circumstances to the Compliance Officer, as applicable.

- B. Post-Transaction Notice. The Restricted Persons who have a reporting obligation under Section 16 of the Exchange Act shall also notify the Compliance Officer of the occurrence of any purchase, sale or other acquisition or disposition of Company securities as soon as possible following the transaction, but in any event within one Trading Day after the transaction. Such notification must be in writing (including by e-mail) and should include the identity of the Restricted Persons, the type of transaction, the date of the transaction, the number of shares involved and the purchase or sale price.

For both the “*Pre-Clearance Procedures*” section above and this “*Post- Transaction Notice*” section, a purchase, sale or other acquisition or disposition shall be deemed to occur at the time the person or entity becomes irrevocably committed to it (for example, in the case of an open market purchase or sale, this occurs when the trade is executed, not when it settles).

- C. Quarterly Blackout Period Restrictions. Because trades in the Company’s securities by Associates are more likely to be subject to greater scrutiny, as mentioned above, Associates may not engage in any transactions involving Company securities (other than as specified by this Policy), during a “Blackout Period” beginning five (5) Trading Days prior to the last day of each fiscal quarter and ending at the close of business on the second (2nd) Trading Day following the date of the public release of the Company’s earnings results for that quarter. Please note that Blackout Periods are compliance requirements of the Company and do not create or constitute a legal right to trade when they are not in effect. Accordingly, and for the avoidance of doubt, even when a Blackout Period is not in effect, if you are in possession of material nonpublic information, you may not trade in the Company’s securities and, as an Associate, you must follow the “Pre-Clearance Procedures” section above prior to any trade in the Company’s securities.

- D. Event-Specific Trading Restrictions. From time to time, an event may occur that is material to the Company and is known by only certain directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Compliance Officer may not trade the Company’s securities. In addition, the Company’s financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Compliance Officer, designated persons should refrain from trading in Company securities even sooner than the typical Blackout Period described above. In these situations, the Compliance Officer will notify these persons in writing that they are prohibited from trading in the Company’s securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period or extension of a Blackout Period will not be announced to the Company as a whole, and should not be communicated to any other person. Exceptions to this Policy will not be granted while an event-specific trading restriction is in effect.
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- E. Exceptions. Blackout period and event-specific trading restrictions do not apply to any transactions to which this Policy does not apply. The “Pre-Clearance Procedures,” “Quarterly Blackout Period Restrictions” and “Event-Specific Trading Restrictions” sections above do not apply to transactions under approved 10b5-1 Trading Plans (as defined below). For Associates who are not affiliates (including, without limitation, Section 16 officers and directors) sales of shares sufficient to cover taxes incurred at the time of RSU share delivery, vesting of Restricted Stock Awards, or delivery of other stock awards with immediate tax consequences, are allowed up to the aggregate number of shares the value of which shall be equal to the tax liability incurred (the aggregate number of such shares sold shall be rounded up to the next full share as required to satisfy the tax liability) so long as the seller is not in possession of any material non-public information or subject to Event Specific Trading Restrictions.

## 7. Precautions to Prevent Misuse or Unauthorized Disclosure

When a person covered under this Policy has exposure to material nonpublic information, that individual should consider taking extraordinary precautions to prevent misuse or unauthorized disclosure, including:

- A. maintaining files securely and avoiding storing information on computer systems that can be accessed by other individuals;
- B. avoiding discussing confidential matters in areas where conversation could be overheard;
- C. restricting information on a “need to know” basis; and
- D. refrain from making any statement on the Internet or via social media (e.g. Twitter, Facebook) regarding the Company, as it may be seen as a recommendation to buy or sell the Company’s securities.

## 8. Consequences for Breach of the Insider Trading Prohibition

Breach of the insider trading prohibition by you or any Related Person could expose you or them to criminal and civil liability. Breach of insider trading laws or this Policy will also be regarded by NextNav as serious misconduct, which may lead to disciplinary action and/or dismissal.

- A. Legal Penalties: A person who violates insider trading laws by engaging in transactions in the Company’s securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tippers can be subject to the same penalties and sanctions as the tippees, and the Securities and Exchange Commission (the “SEC”) has imposed large penalties even when the tipper did not profit from the transaction.

The SEC can also seek substantial civil penalties from any person who, at the time of an insider trading violation, “directly or indirectly controlled the person who committed such violation,” which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of \$1 million or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, the SEC can seek penalties from a company and/or its management and supervisory personnel as control persons.

- B. Company-Imposed Penalties: Associates who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Compliance Officer (or if the Compliance Officer is seeking an exception, the Chief Executive Officer) and must be provided before any activity contrary to the above requirements takes place.
- C. Expenses Related to a Breach: Neither the Company nor any of its directors, officers or employees will be liable for the legal or financial consequences of any approval or pre-clearance, refusal to approve or pre-clear or delay in reviewing any requests for approval or pre-clearance of any transaction, Rule 10b5-1 Plan or other request under this Policy. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person’s reputation and irreparably damage a career.

## 9. Dealing in Securities of Other Companies

If you have material nonpublic information, about a company other than NextNav, the same insider trading rules outlined above apply to buying and selling securities of that company.

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## 10. Exceptions for Approved 10b5-1 Trading Plans

Associates may establish written programs (“**10b5-1 Trading Plans**”) which permit automatic trading of NextNav securities: (i) through a third-party broker; or (ii) by an independent person (e.g., an investment banker) who is not aware of any material nonpublic information at the time of a trade. Trades in the Company’s securities that are executed pursuant to an approved 10b5-1 Trading Plan are not subject to the prohibition on trading on the basis of material nonpublic information contained in this Policy or to the restrictions set forth above relating to pre-clearance procedures.

In general, an Associate may only enter into a 10b5-1 Trading Plan when such Associate is not aware of material nonpublic information. All 10b5-1 Trading Plans must be pre-approved in writing by the Compliance Officer (or, in the event the Compliance Officer is seeking approval of a 10b5-1 Trading Plan, the Chief Executive Officer) and may not provide for the execution of any trades in NextNav securities for a period of at least one month after such approval. Once a 10b5-1 Trading Plan is implemented in accordance with this Section 10 and applicable securities laws, trades pursuant to such program will not be subject to the limitations and restrictions set forth in other sections of this Policy.

Trading pursuant to a 10b5-1 Trading Plan may occur even during a blackout period or when the person on whose behalf such trade is made is aware of nonpublic material information. Once the plan is adopted, you must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify (including by formula) the amount, pricing and timing of transactions in advance or delegate discretion on those matters to an independent third party.

## 11. Applicability of Policy to Former Insiders

This Policy continues to apply to transactions in Company securities even after termination of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not trade in Company securities until that information has become public or is no longer material. The pre-clearance procedures applicable to such individual specified under the heading “*Additional Procedures*” above, however, will cease to apply to transactions in Company securities upon the expiration of any Blackout Period or other company-imposed trading restrictions in force at the time of such individual’s termination of service.

## 12. Transactions Not Subject to Trading Restrictions

This Policy does not apply in the case of the following transactions, except as specifically

noted:

- A. Stock Option Exercises: This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company’s plans or pursuant to a Nasdaq compliant inducement award. Similarly, this Policy does not apply to the exercise of options on a “net exercise” basis pursuant to which a person either (i) delivers outstanding shares of common stock to the Company or (ii) authorizes the Company to withhold from issuance shares of common stock issuable upon exercise of the option, in either case, having a fair market value on the date of exercise equal to the aggregate exercise price. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.
  - B. Restricted Stock Awards: This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold shares to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy does apply, however, to any market sale of restricted stock.
  - C. 401(k) Plan: This Policy does not apply to purchases of Company securities in any 401(k) plan maintained by the Company resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy does apply, however, to certain elections you may make under any such 401(k) plan, including: (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund. It should be noted that sales of Company securities from a 401(k) account are also subject to Rule 144, and therefore affiliates should ensure that a Form 144 is filed when required.
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- D.**      Employee Stock Purchase Plan: This Policy does not apply to purchases of Company securities in any employee stock purchase plan maintained by the Company resulting from your periodic contribution of money to the plan pursuant to the election you previously made. This Policy also does not apply to purchases of Company securities resulting from lump sum contributions to the plan, provided that you elected to participate by lump sum payment at the beginning of the applicable enrollment period. This Policy does apply, however, to your election to participate in any such plan for any enrollment period, and to your sales of Company securities purchased pursuant to the plan.
- E.**      Other Similar Transactions: Any other purchase of Company securities from the Company or sales of Company securities to the Company are not subject to this Policy.

Transactions in mutual funds that are invested in the Company's securities are not transactions subject to this Policy.

**13.      Certification**

All Associates must certify their understanding of, and intent to comply with, this Policy by signing and returning the Certification included in this Policy to the Compliance Officer.

**14.      Contacts**

If you have any questions arising from this Policy, you may contact the person listed below.

General Counsel

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## **ACKNOWLEDGEMENT AND CERTIFICATION**

I hereby certify that:

1. I have read and understand the Company's Insider Trading Policy.
2. I understand that the Company's Compliance Officer is available to answer any questions I have regarding the Insider Trading Policy.
3. Since October 28, 2021, or such shorter period of time that I have been an employee or director of the Company, I have complied with the Insider Trading Policy.
4. I will continue to comply with the Insider Trading Policy for as long as I am subject to the Policy.

Print name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



**NEXTNAV INC.  
LIST OF SUBSIDIARIES**

<b>Name of Subsidiary</b>	<b>State or Other Jurisdiction of Incorporation or Organization</b>
NextNav Acquisition Corp.	Delaware
NextNav MS 3, LLC	Delaware
NextNav MS 4, LLC	Delaware
NextNav MS 5, Inc.	Delaware
NextNav MS 6, LLC	Delaware
NextNav MS 7, Inc.	Delaware
NextNav Holdings, LLC	Delaware
NextNav Intermediate HoldCo, LLC	Delaware
NextNav, LLC	Delaware
Progeny LMS, LLC	Indiana
CommLabs, Inc.	Delaware
CommLabs Technology Centre Private Limited	Bangalore, India
NextNav France	Puteaux, France
NextNav HoldCo France	Puteaux, France

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-260687) of NextNav Inc.,
- (2) Registration Statement (Form S-3 No. 333-272875) of NextNav Inc.,
- (3) Registration Statement (Form S-3 No. 333-274969) of NextNav Inc.,
- (4) Registration Statement (Form S-3 No. 333-275983) of NextNav Inc.,
- (5) Registration Statement (Form S-8 No. 333-261902) pertaining to the NextNav Inc. 2021 Omnibus Incentive Plan, the NextNav Inc. 2021 Employee Stock Purchase Plan, and the NextNav Holdings, LLC 2011 Unit Option and Profits Interest Plan, as amended, of NextNav Inc.,
- (6) Registration Statement (Form S-8 No. 333-272883) pertaining to the NextNav Inc. 2021 Omnibus Incentive Plan, and the NextNav Inc. 2021 Employee Stock Purchase Plan of NextNav Inc.,
- (7) Registration Statement (Form S-8 No. 333-277889) pertaining to the NextNav Inc. 2021 Omnibus Incentive Plan,
- (8) Registration Statement (Form S-3 No. 333-279957) of NextNav Inc.,
- (9) Registration Statement (Form S-3 No. 333-279959) of NextNav Inc.,
- (10) Registration Statement (Form S-3 No. 333-283412) of NextNav Inc.,
- (11) Registration Statement (Form S-3 No. 333-283800) of NextNav Inc.,

of our report dated March 12, 2025, with respect to the consolidated financial statements of NextNav Inc. included in this Annual Report (Form 10-K) of NextNav Inc. for the year ended December 31, 2024.

/s/ Ernst and Young LLP

Tysons, Virginia  
March 12, 2025

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**Certification of Principal Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Mariam Sorond, certify that:

1. I have reviewed this Annual Report on Form 10-K of NextNav Inc.;
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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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: March 12, 2025

/s/ Mariam Sorond

Name: Mariam Sorond

Title: President and Chief Executive Officer

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**Certification of Principal Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Christian D. Gates, certify that:

1. I have reviewed this Annual Report on Form 10-K of NextNav Inc.;
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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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: March 12, 2025

/s/ Christian D. Gates

Name: Christian D. Gates

Title: Chief Financial Officer

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of NextNav Inc. (the “Company”) for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned each hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge, on the date hereof:

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

Dated: March 12, 2025

/s/ Mariam Sorond

\_\_\_\_\_  
Name: Mariam Sorond

Title: President and Chief Executive Officer  
(Principal Executive Officer)

Dated: March 12, 2025

/s/ Christian D. Gates

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Name: Christian D. Gates

Title: Chief Financial Officer  
(Principal Financial Officer)

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