

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, 2023

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.)

**1775 Tysons Blvd., 5th Floor
McLean, VA**

(Address of principal executive offices)

22102

(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 30, 2023, 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 \$ 215,791,582 (based on the closing price of \$2.94 per share as reported on the Nasdaq Capital Market as of that date).

There were 111,189,983 shares of the registrant's common stock outstanding as of March 8, 2024.

Documents Incorporated by Reference

Portions of the registrant's Definitive Proxy Statement relating to the 2024 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, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K.

NEXTRAV INC.

Annual Report on Form 10-K for the Fiscal Year ended December 31, 2023

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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 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;
2. our ability to recognize the anticipated benefits of the Business Combination (as defined below), our ability to realize the anticipated technical and business benefits associated with the acquisition of NextNav France (as defined below), and any subsequent 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;
3. 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 on our Pinnacle network, the expansion of our services in Japan through MetCom, and expectations about other international markets;
4. projections of market growth and size, including the level of market acceptance for our services;
5. our ability to adequately protect key intellectual property rights or proprietary technology;
6. our ability to evolve our technology to be compatible with 5G NR, and realize the technical benefits of such proposed evolution;
7. our ability to maintain our Location and Monitoring Service (“LMS”) licenses and obtain additional LMS licenses as necessary;
8. 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;
9. our ability to develop and maintain effective internal controls;
10. our success in recruiting and/or retaining officers, key employees or directors;
11. expansion plans and opportunities;
12. costs related to being a public company;
13. our ability to maintain the listing of our securities on Nasdaq; and
14. 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 and may not be able to achieve or maintain profitability and may need to raise additional capital to maintain our operations in the future.
- Our limited operating history 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.
- Pinnacle z-axis is a new capability, and adoption may be delayed by our potential customers' unfamiliarity with 3D position, a lack of ecosystem support (e.g., specific device sensors, 3D routing) and/or other factors.
- Our business plan and, in turn, our ability to generate revenue, depends in large part on end users accessing our services through our customers' platforms.
- We may not be successful in the evolution of our TerraPoiNT technology to utilize 5G NR signals, which would increase our costs and may increase the challenges of adopting our service.
- Our hybrid architecture, which depends on the use of our transmitters and our ability to calibrate signals transmitted by third parties, is unproven, may not perform well and may cost significantly more than our initial estimates.
- We face intense competition in our market from multiple sources, 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 are heavily reliant on third parties, including AT&T, Verizon and Amazon Web Services for a variety of our products and business operations, as well as on a limited number of key vendors for timely supply of components necessary for our offerings.
- Our services may not continue to be adopted or retained by wireless carriers and device vendors for E911.
- Our Pinnacle service in smartphones and other mobile devices relies on the availability of barometric pressure measurements and 2D location being made available to us or our customers.
- Our services' full potential is contingent on our distribution partners' and customers' access to a variety of third-party platforms, which creates a number of uncertainties and potential risks.
- 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 TerraPoiNT service will be sold to commercial or additional government users or achieve broad commercial support in the United States or internationally.
- There is no guarantee that Federal and state government resilient positioning, navigation and timing ("PNT") programs will result in procurements that result 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. Related privacy concerns could damage our reputation and deter current and potential users from using our products and applications.
- Natural or man-made disasters, including cyber-security attacks or terrorist attacks could have an adverse effect on our business.
- Actual or perceived disruptions of our information technology systems or data security incidents could have an adverse effect on our business.

- We may become subject to litigation arising out of any security breaches, which may adversely affect our business. Our insurance policies' limits may not be sufficient to cover any related liabilities we may face.
- We depend on the availability of personnel with the requisite level of technical expertise in the telecommunications industry, as well as on key members of our senior management team, and our performance could be adversely impacted if we fail to retain such key members and/or fail to find suitable replacements.
- 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 results could be adversely impacted as a result of increased inflation and supply chain pressures.
- Military action in different regions of the world, including Ukraine and the Middle East, and the resulting geopolitical effects, may directly or indirectly increase our risks from supply chain, cybersecurity, foreign currency fluctuations, or other factors.
- Strategic transactions, including the Asset Purchase Agreement dated March 7, 2024, wherein we agreed to acquire an additional 4 MHz of M-LMS spectrum licenses in the 900 MHz band, involve significant risks and/or uncertainties that could adversely affect our business.

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 on a nationwide basis is not a certainty.
- Our ability to fully utilize our spectrum by leveraging 5G NR signals to provide voice and data services in addition to position, navigation and timing will require changes to the rules of the Federal Communications Commission ("FCC") and spectrum license modifications, including changes with respect to those licenses that we are seeking to acquire pursuant to the Asset Purchase Agreement dated March 7, 2024. These FCC actions are not a certainty.
- 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 and end-of-term build-out requirements maintained by the FCC and no certainty exists that we will be able to secure ongoing renewals or comply with such build-out requirements.
- 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 and may impact our ability to modify 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 handle personal information, which creates legal obligations and may give rise to additional costs and liability.
- We are subject to stringent U.S. export control and economic sanctions laws and regulations.
- We are exposed to risks related to geopolitical and economic factors, laws and regulations and our international business subjects us to numerous 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. Further, certain of our Warrants are exercisable, which could increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.
- 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”). Our complementary PNT solutions are built on a deep asset base, which we are evolving to utilize 5G New Radio (“5G NR”) technologies. We expect the evolution of our platform to 5G NR to significantly improve the efficiency and flexibility of our operations, technically enabling the delivery of high-bandwidth data services simultaneously with our industry-leading PNT solutions. Since the inception of NextNav, LLC in 2007, we have secured valuable Federal Communications Commission (“FCC”) licenses for a contiguous 8 MHz band of 900 MHz M-LMS spectrum covering over 90% of the U.S. population, been granted more than 180 patents related to our systems and services, and standardized our TerraPoiNT technology in 3GPP, the global telecommunications standards-setting body.

The impact of GPS on the U.S. economy may exceed \$1 trillion annually, according to a NextNav extrapolation of our data from a National Institute of Standards and Technology (“NIST”) sponsored study conducted by RTI International (“RTI”), and the European Commission has estimated a similar impact on the economy of the European Union in its 2018 budget process. 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 now a priority of the U.S. Federal Government. The Department of Homeland Security has classified the PNT vulnerabilities from GPS as cyber security threats, and the Department of Transportation 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 resilience is essential to protect the vast economic activity that is reliant on GPS. We are targeting a global addressable market that is greater than \$100 billion.

Simultaneously, demand for wireless data services continues to grow. The backbone of wireless data services, electromagnetic spectrum, is a finite resource. Our spectrum licenses, covering 919.75-927.75 MHz, are referred to as “low-band spectrum”. There is a finite amount of low-band spectrum available, and it has favorable coverage characteristics compared to higher frequencies, including the ability to provide services indoors and at 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. Our transition to 5G NR for our PNT services will provide a technical basis for us to simultaneously offer broadband data services in our band, which, subject to appropriate regulatory approvals, may allow us to utilize our spectrum to help meet the continued, growing demand for wireless data capacity.

We deliver differentiated PNT solutions through our network-based Pinnacle and TerraPoiNT solutions. Our Pinnacle system provides accurate altitude service to any device with a barometric pressure sensor, including most off-the-shelf Android and iOS smartphones, appropriately specified Internet of Things (“IoT”) devices, as well as vehicles and other equipment. In 2021, we launched our Pinnacle network in partnership with AT&T Services, Inc. (“AT&T”) for FirstNet®, the nationwide, interoperable public safety broadband network. Our Pinnacle network covers over 90% of commercial structures over three stories in the U.S., and in addition to FirstNet®, our network is being used for enhanced 911 (“E911”) by Verizon Communications, Inc. (“Verizon”), and a growing number of devices operating on the remaining national cellular network providers. Pinnacle has also been adopted by a growing number of public safety apps, commercial apps, and is available on multiple app development platforms. Our Pinnacle network is an important component of our PNT resiliency services, and is being evaluated as a persistent PNT characterization platform. We believe that continuing integration of our Pinnacle service into devices and applications will support revenue growth over the coming year.

Our TerraPoiNT system is a terrestrially-based, 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 an PNT signal on our licensed 900 MHz 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 3D PNT solution. TerraPoiNT offers positioning, navigation and can be configured to provide NIST-traceable timing services independently of GPS. We believe that these capabilities, whether as a more robust primary solution or as a backup in the event of GPS disruptions, are essential due to the economy’s reliance on GPS for location and precision timing. GPS resiliency is increasingly a U.S. national security priority, 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, highlighted by recent events in Ukraine, the Middle East and elsewhere. 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. TerraPoiNT received the highest scores in testing by the U.S. Department of Transportation (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.

As of March 2024, TerraPoiNT is deployed and available, with metro-wide service in the San Francisco Bay Area and select services available in 92 total markets nationally. It is also in use by the National Aeronautics and Space Administration ("NASA") at its Langley Research Center in Hampton, VA for drone operations research and at its Ames facility in Mountain View, CA, leveraging our network in the Bay Area.

On October 31, 2022, we acquired Nestwave, SAS, a French société par actions simplifiée (as subsequently renamed, "NextNav France"), a privately held global leader in low-power geolocation, and completed integrating the NextNav France team into our existing engineering and technology organization during 2023. NextNav France provides advanced geolocation solutions to IOT modem and digital signal processor vendors and end IOT users. We believe that the combination of our technology with NextNav France's LTE/5G capabilities will assist us to evolve our system to align with 5G NR.

NextNav France's intellectual property also included a "soft GPS" capability, allowing GPS processing on LTE and 5G NR chipsets, reducing the cost and power requirements for certain types of GPS services for IOT devices. We have licensed this technology to chipset vendors, including a global Tier 1 LTE and 5G NR modem vendor. We expect to start to see the results of these licensing arrangements in 2024.

Our Strategy

Domestically, we operate primarily as a facilities-based 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 spectrum can be used to offer 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 will continue to 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. We are working closely with the DoT and the U.S. Department of Homeland Security ("DHS"), among other agencies, as well as the U.S. Congress to drive our PNT solutions to be a critical component of national backup capabilities for GPS, with government action expected to be a precursor to broader adoption by commercial enterprise, IOT and critical infrastructure customers. Redundancy to space-based PNT systems 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, highlighted by recent events in Ukraine and the Middle East, while MetCom, our partner in Japan, continues to build their services and asset base utilizing our technologies.
- *Evolve our system to be fully aligned with 5G NR standards.* We built the original technology for our TerraPoiNT system to maximize compatibility with the GPS ecosystem. With the integration of technologies acquired with NextNav France, we demonstrated the ability to combine elements of a dedicated positioning system with cellular signals to improve service reach, reduce initial deployment cost and potentially expand the number of addressable devices. We are now further evolving the technical foundation of our system to 5G NR. This will allow us to continue to provide PNT services, while extending the use of our spectrum by enabling data capacity similar to other 5G NR communications systems. We anticipate that this may allow us to significantly increase the scope of potential customers and partners, improve the geographic coverage of our business and align our operations with the mainstream global cellular ecosystem, increasing the potential reach of our services.
- *Continue seeking ways to maximize the value of our spectrum licenses.* NextNav will continue to evaluate ways to enhance the value of its spectrum licenses, including by taking full advantage of the opportunities presented by implementing 5G NR and pursuing additional uses of our licensed spectrum.

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 between 1984 and 2017, with nearly a quarter of that value, exceeding \$300 billion, delivered in the last year of their analysis. Applying the average 2015-2017 growth rate from the NIST RTI analysis implies that the 2021 domestic value provided by GPS was approximately \$700 billion and the 2023 value is expected to be approximately \$1.1 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. This is consistent with analysis performed by the European Commission, which estimated the contribution of global navigation satellite services ("GNSS") in the European Union was approximately EUR 1.2 trillion in 2018.

GPS and GNSS services, however, have inherent limitations due to their faint signal and the geometry of the orbital satellites especially near the Earth's surface. This results in poor performance, especially in urban environments, indoors, and other locations where precise altitude determination is essential. The increasing demand for location services has resulted in the development of a number of supplements and alternatives to traditional GPS.

Simultaneously, wireless technologies, especially those deployed by cellular service providers, have evolved significantly from their initial deployments. With LTE, and more recently 5G NR, multiple new features, including positioning, are supported to enable a wide variety of services over the same wireless spectrum bandwidth, with the potential to improve both the density and availability of PNT signals, and improve the use of scarce wireless spectrum.

Our Solutions

Our location systems have been engineered and deployed to provide comprehensive solutions to the limitations and vulnerabilities inherent in GPS-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.

Isolated solutions to various aspects of the limitations to GPS-based positioning have been deployed, but none carry the primary benefits of GPS, which are high performance across a wide area and availability to a wide range of devices for PNT services.

Our current service platforms include Pinnacle, our altitude (z-axis) solution, and TerraPoiNT, which is similar to a terrestrial GPS constellation. Both systems offer metro-wide service, are inherently secure and can provide universal service access to all types of appropriately-equipped devices that use location services. As part of our acquisition of NextNav France, we also acquired a low-power GPS processing technology that has been licensed to a Tier 1 global chipset vendor. This technology enables IOT devices to get GPS position fixes at lower power, in lower cost devices.

Pinnacle

Pinnacle is our z-axis service, a dedicated vertical positioning network to cover entire metropolitan areas. Pinnacle provides devices equipped with a barometric pressure sensor with the highest quality wide-area altitude service available in the U.S. market today based on a CTIA/FCC "911 Location Test Bed, LLC Report on Stage Z" from 2018. Our service is now 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, with expanded geographic service available in 2023.

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 can be delivered to customers in this segment over an applications programming interface ("API") or via an SDK integrated into the relevant applications.

To expand access to and use of our Pinnacle services, we work closely with sensor vendors to provide input on key sensor performance factors necessary to produce optimal Pinnacle services. We also recently launched the NextNav Certified™ program. The NextNav Certified™ program allows pressure sensor vendors to perform a set of tests monitored by us. If a vendor meets the criteria for performance while adhering to the test procedures, the vendor can display the NextNav badge on its website and use the endorsement in its marketing to device vendors. Bosch Sensortec, InvenSense Goertek and ST Microelectronics currently offer NextNav Certified™ sensors.

TerraPoiNT

TerraPoiNT is our full 3D PNT system, standardized in the global telecommunications standards group, 3GPP Release 13 as Metropolitan Beacon System ("MBS"). The current technical specification for the standard MBS signal, or Interface Control Document, can be downloaded from ATIS, the North American affiliate to 3GPP. We are in the process of evolving TerraPoiNT to 5G NR-based technology. We license 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.

Positioning, navigation and timing are the core services provided by GPS, and TerraPoiNT can be thought of as a land-based GPS satellite constellation. In the United States, this service operates on 8 MHz of contiguous LMS spectrum licensed to us in the 900 MHz band and covering more than 90% of the U.S. population (see "Radio Spectrum" for more information about these licenses). We have deployed a wide area TerraPoiNT network in two markets in the San Francisco Bay Area and in smaller networks in 90 additional markets throughout the U.S. We are also supporting a pilot program with our joint venture partner in Japan, MetCom, to enable a possible permanent spectrum allocation.

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 completely eliminated, 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. By operating on licensed spectrum and transmitting terrestrially in the lower 900 MHz band, the TerraPoiNT signal is significantly more difficult to disrupt than space-based signals.

TerraPoiNT was initially designed for maximum compatibility with GPS and other GNSS receivers, previously demonstrated by Broadcom on a version of their 4775 platform and GCT's GDM7243i, among other platforms. We expect to evolve the TerraPoiNT system to 5G NR, resulting in potentially broader receiver compatibility. This evolution will enable the TerraPoiNT signal to be processed by the hardware used to process 5G NR signals. We anticipate that such an evolution would increase our spectrum utilization significantly, allowing us to offer a data capacity as well as PNT capabilities 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 maintaining or improving our PNT capabilities.

The expansion of the TerraPoiNT network build-out will require significant investment; however, as with our Pinnacle system, we anticipate exploring partnership opportunities as part of that deployment. We believe that the evolution to 5G NR may increase the number of such potential opportunities.

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:

1. *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.
2. *Control:* We have implemented appropriate means for our customers and business partners to control relevant personal and business information.
3. *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.
4. *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.
5. *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.

Manufacturing and Network Operations

Manufacturing

Our services are provided in part through equipment we design, generally manufactured under contract by domestic vendors in the United States. The Pinnacle altitude stations provide a high-performance reference for altitude determination at low cost. The TerraPoiNT beacons are sophisticated broadcast transmitters that incorporate a very accurate timing system to provide a signal that is similar to that provided by GPS in a terrestrial transmitter. These units are designed to be integrated with our cloud services platform and managed by software that we designed and created for these systems.

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 maintenance contractors if needed.

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, has been extended to October 24, 2025.

Competition and Competitive Advantages

The geolocation industry is highly competitive and we compete with incumbent geolocation services like GPS, Wi-Fi, and cellular signals, augmented by other sensor inputs, as well as other companies who are new entrants into the market seeking to provide a solution to the same needs as we are.

The increasing demand for location services has resulted in the development of a number of supplements and alternatives to traditional GPS. The primary candidates for GPS backup technologies are based on approaches that are significantly different than the technical approach adopted by us. These competitive technologies include:

- **eLORAN.** 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, like its predecessor, uses very low frequencies (in the 100 kHz range), but has an advanced receiver design and transmission characteristics, which increase the accuracy and usefulness of traditional LORAN. These enhancements make it a suitable substitute for GPS. Because eLORAN requires larger antennas and form factors for its receivers, it does not have the same versatility as our solutions. It is more suited to, for example, the maritime environment.
- **LEO Satellite Systems.** Low Earth orbit ("LEO") satellite systems offer primarily timing service based on signals transmitted from LEO satellite constellations, transmitted in the L-Band. Because it is in a lower orbit, the LEO signal is much stronger than GPS, allowing for improved reception in urban areas and limited indoor reception. The primary limitation of LEO-based systems is that they remain a satellite-based signal, so the signal is not as strong as a terrestrial-based system. In addition, as an add-on technology, its design is not as flexible as a dedicated system.
- **Commercial Location Systems.** Commercial location systems generally include cellular systems, crowd-sourced systems and locally managed systems. Cellular systems may use signals from 4G/5G transmitters to extract location information in the immediate vicinity of such 4G/5G transmitters. Cellular systems are typically used as a fallback when the GPS signal is not available (e.g., indoors), but do not provide the same accuracy that our solutions provide and are ultimately dependent on GPS. Crowd-sourced systems, such as those provided by Google and Apple through APIs in their mobile operation system platforms, rely on the application of machine learning techniques to location information gathered from mobile devices. These systems are "best-efforts systems" that compare GPS measurements to Wi-Fi access point signal strength, cellular signals and other signals gathered from millions of devices to estimate the location of the access points. Crowd-sourced systems vary considerably in accuracy, offer less accurate vertical positioning information and are subject to degradation if there is an issue with local power and local access points. Locally Managed Systems are systems that rely on the management of lower-power signals, managed Wi-Fi, Bluetooth Low Energy, dedicated beacons with large bandwidth requirements and Ultrawideband to provide location services. These systems are centrally managed by the enterprise or a vendor, and typically offer high accuracy and reliability, but are expensive to deploy and manage, offer only limited coverage, are dependent upon local power sources and are usually only available to the entity that deployed them. Most commercial location systems do not provide an independent timing source, so are limited in their ability to be a viable backup to GPS.

We believe our 3D solutions offer a superior alternative to each of these services. The following summary of a report published in 2021 by the DoT characterizes and ranks the different available systems, ranking our service the highest.

			TIMING [®]		POSITIONING [®]		TIMING [®]		PNT [®]		TIMING [®]		PNT [®]	
			Performance		Performance		Ground broadcast		Ground broadcast		Broadcast		Broadcast	
			Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
	UHF terrestrial RF	(920-928 MHz)	1	91	1	91	1	82	1	82	1	82	1	82
	LEO commercial S-band	(2483.5-2500 MHz)	-	-	5	58	-	-	-	-	-	-	-	-
	eLORAN terrestrial RF	(90-100 Hz)	6	62	-	-	3	66	-	-	4	66	-	-
	Fiber optic time service	(white rabbit PTP)	2	87	-	-	-	-	-	-	-	-	-	-
	802.11 terrestrial RF	(2.4 GHz)	6	62	3	-	4	-	2	-	5	-	3	-
	LEO commercial L-band	(1616-1626.5 MHz)	4	78	2	78	-	-	-	-	2	80	3	82
	R-mode terrestrial RF	(283.5-325 kHz)	-	-	-	-	-	-	-	-	-	-	-	-
	Fiber optic time transfer	(white rabbit PTP)	3	84	-	-	-	-	-	-	-	-	-	-
	802.11 terrestrial RF	(900 MHz, 2.4 & 5 GHz)	-	-	4	-	-	-	-	-	-	-	-	-
	UWB & RFU map matching	(3.1-5 GHz)	-	-	5	38	-	-	-	-	-	-	-	-
	eLORAN terrestrial RF	(90-100 Hz)	5	69	-	-	2	70	-	-	3	70	-	-
	GPS (SPS) PSI	MEO government L-band	-	-	67	-	-	-	-	-	-	-	-	-

- (1) Weighted score based upon accuracy, availability, product readiness, resilience and security.
- (2) Weighted score based upon accuracy, availability, product readiness, resilience and security.
- (3) Market readiness of Timing Performance using terrestrial RF broadcast.
- (4) Mass market readiness for Position AND Timing using terrestrial RF broadcast.
- (5) Mass market readiness of timing using RF broadcast.
- (6) Mass market readiness for Timing AND Positioning using RF broadcast.

As indicated by the aforementioned results, our solutions offer a differentiated quality over our competitors. We offer significantly better indoor and outdoor performance with receivers that, at production scale, have reduced power consumption and no incremental cost or size difference with GPS. Our system is also significantly more resilient due to its distributed, metro-oriented architecture. We offer better performance and a much stronger signal, due to its terrestrial deployment. It is also more resilient, and has greater design flexibility as a dedicated system as opposed to a feature added to a legacy communications satellite network. Our solutions are not impacted by the density of third-party access points, building power, or other issues, and are suitable for any device — from an airplane to a phone to an IOT tracking module.

While various competitors may provide individual elements such as altitude, or timing-only capability, we believe that we provide the only solutions addressing full customer requirements around positioning, navigation and timing. Our solutions are consistently accurate in nearly all environments and conditions. We are well-positioned to compete in our industry based on our core competencies and on the following competitive strengths:

- Physical altitude network that covers more than 4,400 U.S. cities and towns and 90% of all commercial building in excess of three stories;
- Unique nationwide spectrum asset of 8 MHz of contiguous, 900 MHz LMS spectrum, covering over 90% of the U.S. population and representing 2.4 billion MHz-PoPs;
- Technological innovation;
- Highest performing resilient GPS solution provider as determined by DoT;
- Global IP portfolio of more than 180 patents that covers the core technology, network design and services capability; and
- Visionary and experienced management team.

The combination of these elements puts us in a unique position that cannot be easily replicated. We believe that our collective expertise, coupled with the aforementioned strengths, will allow us to build our business and expand our market opportunity and addressable markets.

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, 2023, we had approximately 186 issued patents domestically and internationally, which includes approximately 121 issued patents in the US. In addition, we had approximately 94 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 have formed a joint venture in Japan with MetCom to operate our TerraPoiNT system and Pinnacle system for commercial services, leveraging Sony and Kyocera network infrastructure. 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 over 77 employees, who are responsible for the development of both the Pinnacle and TerraPoiNT 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;
- 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, 2023, we employed 111 full-time employees, the majority in our headquarters in McLean, Virginia and in our facility in Sunnyvale, California. Over 77 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 McLean, Virginia, Sunnyvale, California, Puteaux, France, Noida, India and Bangalore, India. Our principle executive office is in McLean, Virginia. Our corporate offices in Virginia include executive, finance, regulatory and network deployment functions, while our California facility hosts our technology development functions, among other functions. Our French and Indian locations house a mix of employees and contractors 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. These licenses and the FCC rules impose obligations on us regarding the use of this spectrum, including power and operational limits, spectrum sharing and interference restrictions, build out and usage requirements, and a license renewal obligation. We must comply with these requirements in order to retain access and use of these spectrum resources.

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 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 1775 Tysons Blvd., 5th Floor, McLean, VA 22102. Our telephone number is (800) 775-0982, and our website address is 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. 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 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 and until the second quarter of 2021 had not widely commercially sold our solutions. For the years ended December 31, 2023, 2022 and 2021, we incurred net losses of \$ 71.7 million, \$40.1 million and \$144.7 million, respectively. Furthermore, any expansion of our TerraPoiNT 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.

Since becoming a public company, our operating expenses have increased, and we expect our operating expenses to continue to increase over the next several years as we scale our operations, increase research and development efforts relating to new offerings and technologies, hire more employees, and operate as a public company. 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, 2023 will be sufficient to meet our working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months. 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 then-current interest rates, the condition of the credit and capital markets and other events, some of which may be beyond our control.

Our limited operating history 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 geolocation services utilizing vertical (z-axis) location services and in order for us to be profitable, our services require substantial adoption across disparate industries. We have only recently begun to commercially market our services, so it is difficult, in consideration of our limited operating history, to evaluate our future prospects and the risks and challenges we may encounter. Risks and challenges we have faced or expect to face 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;
- 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 have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or 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 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 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, may make it difficult to successfully execute our business strategy or effectively compete with companies 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 permitted 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 with respect to make required payments under our other indebtedness for money borrowed in excess of \$1 million in the aggregate, (viii) failure by us to pay final 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. Such acceleration of our debt could have a material adverse effect on our liquidity 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.

Pinnacle z-axis is a new capability, and adoption may be delayed by our potential customers' unfamiliarity with 3D position, a lack of ecosystem support (e.g., specific device sensors, 3D routing) and/or other factors.

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. 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.

We may not be successful in the evolution of our TerraPoiNT technology 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 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. 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 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 hybrid architecture, which depends on the use of our transmitters and our ability to calibrate signals transmitted by third parties, is unproven, may not perform well and may cost significantly more than our initial estimates.

We are currently planning to augment or provide our resilient PNT service through a "hybrid" architecture that relies in part on our signal (whether compatible with GPS/GNSS or 5G NR), and in part on signals radiated by cellular operators and other third parties that are calibrated by us. If we are not able to calibrate the signals radiated by cellular operators and other third parties, then the performance of our hybrid system may not be sufficient to meet customer requirements, and the market for our services may be diminished. Our hybrid architecture may also not result in the cost savings estimated by us, which would substantially increase our future capital and operating expenditures.

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 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 both 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 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.

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 harmed.

Our services may not continue to be adopted or retained by wireless carriers and device vendors for E 911.

We have expended significant resources developing, testing and licensing software and solutions targeted towards E911 services, the primary customers for which are wireless carriers. Certain of these wireless carriers were the subject of an enforcement action by the FCC regarding their lack of compliance with rules requiring the provision of vertical location services in the top 25 cellular market areas ("CMAs") by April 3, 2021. On June 3, 2021, the FCC adopted consent decrees with each of the named wireless carriers that effectively provided an extension of one year to the April 3, 2021 compliance date in the top 25 CMAs, but also required the carriers to begin delivering any z-axis information that was available to them and to provide interim reports on their ongoing testing and deployment efforts. While we are currently providing service to Verizon, are under contract with a second national carrier 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, a service we believe to exceed the current FCC accuracy requirement, is dependent upon the continued willingness of these carriers and device vendors to use our service to comply with FCC mandates. This willingness was impacted by the FCC's one year extension and may continue to be impacted by the development and testing of competing solutions to our technology. In June of 2022, the CTIA filed a statement with the FCC that solutions provided by certain competitors meet these FCC requirements. If the FCC accepts this statement, 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 E 911 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.

Mass-market adoption of our TerraPoiNT service will require integration into devices, which may require both hardware and software upgrades.

Our TerraPoiNT service is currently available with specialized devices. Mass-market adoption of our TerraPoiNT service will require integration into devices, which requires upgrades of both hardware and software. The U.S. market for smartphones, smartphone components, and software is highly concentrated. Our ability to integrate our service into these devices is highly dependent upon: (i) the availability of mass-market 5G processors compatible with our future 5G NR-based TerraPoiNT or other implementation; (ii) the integration of such processors, and associated radio components or designs, into smartphones; and (iii) the integration of appropriate access control and service delivery software. 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.

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 is in part dependent on the ability of our distribution partners and customers to utilize 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 outsource our cloud infrastructure to Amazon Web Services ("AWS"). 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 Pinnacle altitude stations and our TerraPoiNT beacons 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 produce additional Pinnacle altitude stations or TerraPoiNT beacons, or provide services to our customers, each of which will have a significant impact on our ability to achieve mass-market adoption of our services. As a result, we are reliant upon a limited number of suppliers of these components and services. 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, our growth and operating results could be negatively impacted.

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 TerraPoiNT service will be sold to commercial users, additional government users, or achieve broad commercial support in the United States or internationally.

Our TerraPoiNT services have not been implemented for broad commercial use and there is no guarantee that TerraPoiNT services will be widely adopted. Further, there is no certainty that one of our competitors will not develop and commercialize a different solution in the meantime supplanting our market. In addition, our ability to sell TerraPoiNT service may be impacted by political or technological preferences. Foreign countries, especially those with significant resources, may prefer solutions that originated in their country or region, which may limit our global growth potential. There is no certainty that our agreements and/or pending discussions with international strategic partners will result in operational systems, from which we derive revenue or other economics, in other countries. 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.

There is no guarantee that Federal and state government resilient PNT programs will result in procurements that result 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 the U.S. Federal and state governments. 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 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 its 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, fires, human error, terrorism, intentional wrongdoing 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 earthquakes, hurricanes, floods, fires, cyber-security attacks, terrorist attacks, power losses, telecommunications failures and 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 may be augmented if our business continuity and disaster recovery plans prove to be inadequate. If any of the above events were to occur, we could experience an adverse impact to our business, financial condition or results of operations. Additionally, our insurance may not be adequate to cover the costs associated with a natural disaster or terrorist attack. We also rely on third-party providers for certain of our infrastructure, any of which could also be subject to natural or man-made disasters, which 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 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 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. Implementing, maintaining, and updating security safeguards require 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 would have legal obligations (whether pursuant to law or contractual obligation) to notify certain regulatory authorities, affected individuals, customers and/or other entities. 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 delay or impede the development or distribution of new products and may cause reputational harm.

There is no way of knowing with certainty whether we have experienced any data security incidents that have not been discovered. While we have no reason to believe that we have experienced a data security incident that we have not discovered, attackers have become very sophisticated in the way they conceal their unauthorized access to systems, and many companies that have been attacked are not aware that they have been attacked. 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. This could result in increased costs to us and result in significant legal and financial exposure and/or reputational harm.

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 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 its 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.

If we are unable to obtain or maintain the proprietary rights to our intellectual property, if we are unable to prevent attempted infringement against our intellectual property, or if we are unable to defend against claims that we are infringing on another party's intellectual property, we could be adversely affected. These adverse effects could include 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.

Our business plans currently call for substantial expansion of our employee base. If we can't manage inflationary pressures and any shortages in the labor market, it could increase labor costs or delay our ability to hire appropriate personnel. Further, 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.

Military action in different regions of the world, including Ukraine and the Middle East, and the resulting geopolitical effects beyond those regions may directly or indirectly increase our risks from supply chain, cybersecurity, foreign currency fluctuations, or other factors.

Military action in different regions of the world have resulted in worldwide geopolitical and macroeconomic uncertainty. For example, the United States and others have imposed financial and economic sanctions on certain industry sectors and parties in and associated with Russia and Belarus, and additional sanctions continue to be proposed and adopted. The military action in different regions of the world may increase the likelihood of supply chain interruptions, cybersecurity incidents, disruptions to our information systems, foreign currency fluctuations, or other risks. While we do not currently expect these conflicts to have a direct material impact on our business, it is not possible to predict the broader consequences, which could include additional sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on the global economy or on our business and 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. If we fail to successfully integrate acquisitions, or the personnel or technologies associated with those acquisitions, 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 the acquired technology and accurately forecast the financial impact of an acquisition, including accounting charges. We may also incur unanticipated liabilities that we assume as a result of acquiring companies. 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.

Our acquisition of NextNav France, the Asset Purchase Agreement dated March 7, 2024, wherein we agreed to acquire an additional 4 MHz of M-LMS spectrum licenses in the 900 MHz band, 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 and equity, which include:

- 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 may be 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 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 non-competition arrangements applicable to certain of our business lines, or within expected timeframes;
- Potential loss of key employees or customers of the businesses merged with or acquired or to be divested; and
- Risk of diverting the attention of senior management from our existing operations.

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 on a nationwide basis is not a certainty.

Certain of our location services depend on our ability to use portions of the radio spectrum licensed by the FCC. 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. Our 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, do not provide nationwide coverage, which we are likely to need to provide certain of our location services on a nationwide basis. Most of the geographic areas where we lack spectrum are generally rural in character, although we do not hold licensed spectrum assets in two well populated locations, Minneapolis and Sacramento. Therefore, we may need to secure additional spectrum licenses from the FCC or other LMS license holders for additional frequencies within the 902-928 MHz band or in other frequencies in order to achieve nationwide coverage or to serve every major city. Radio spectrum is a scarce public resource and no certainty exists that we will be able to obtain additional licenses to provide nationwide coverage or obtain them at a reasonable cost. Very few private entities hold LMS licenses that we could acquire in a private transaction. Although the FCC regularly issues new spectrum licenses, the FCC has not issued new LMS licenses for spectrum within the 902-928 MHz band since 2001 and it could decide to refrain from issuing any additional LMS licenses because the 902-928 MHz frequencies are also used by other services on a shared basis, including by certain unlicensed devices used in homes and for such enterprise services as utility meter reading. If the FCC does issue additional LMS licenses, the FCC is likely to distribute those licenses through an auction process, requiring us 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.

Even if we are able to convert our signal transmissions to 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 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 will need to request 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. Any such proposal could face substantial opposition from our competitors and 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. Moreover, for certain specialized uses, including non-PNT-related two-way voice and data uses, the use of our spectrum would be subject to additional regulatory review, approvals and/or limitations. 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 levels of harmful interference to unlicensed wireless devices. 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 levels of harmful interference to such unlicensed wireless devices. Third-party challenges to the 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 levels of harmful interference to those unlicensed devices. No certainty exists that the FCC would conclude in the future that we remained successful in making such a demonstration a second time. 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 and the current term of our LMS licenses expired on July 19, 2020. 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. 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, in order 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 TerraPoINT 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 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. Pursuant to orders issued by the FCC on January 1, 2017, July 19, 2020, and March 29, 2023, the end-of-term buildout 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. On February 2, 2021, we filed a waiver request with the FCC seeking approval to use a third option, 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 our 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 buildout deadline. On April 17 and 18, 2023, the FCC "accepted" (i.e., approved) the buildout showings for 78 of the 82 LMS licenses that were subject to a June 17, 2023 buildout deadline. The buildout showings for the remaining four LMS licenses that were subject to a June 17, 2023 buildout deadline remain pending before the FCC. The buildout showings for these four licenses employed a different methodology than the remaining 78 licenses. While we do not currently have reason to believe that the FCC will decline to accept these buildout 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 buildout deadline, for 64 of those licenses, we timely filed buildout 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 buildout showings are pending before the FCC. With respect to another eight LMS licenses covering four EAs, relatively brief extensions of the buildout 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 buildout 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 buildout 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, requests for a two-year extension, until April 3, 2025, of the buildout deadlines were submitted. The two-year extension requests 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 two-year 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. The pending objections include pleadings that were filed on July 8, 2013 by a number of businesses that use unlicensed radio spectrum in their operations and were asking the FCC to suspend our authority to use our LMS spectrum for commercial purposes. In addition, several affiliated companies controlled by a former licensee of LMS spectrum have filed numerous objections and adverse pleadings against our LMS licenses. A number of these adverse pleadings remain pending, including a petition, dated February 3, 2021, requesting the FCC to reallocate the 902-928 MHz band for other purposes. Although the FCC has consistently rejected the adverse pleadings that were filed by this individual in the past, no certainty exists that the FCC will continue to do so. 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 expand TerraPoiNT 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, 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. 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, including labor requirements, non-discrimination and affirmative action programs and environmental 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 its 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 its behalf. A variety of federal and state laws and regulations, as well as international laws and regulations (including as applicable General Data Protection Regulation) govern the collection, use, retention, sharing and security of this information.

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 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 with respect to our wireless location services, employment and labor, health care, tax, privacy and data security, health and safety, customs and government contracting. 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 regulatory or administrative changes. We monitor these developments and devote a significant amount of 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 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 or private lawsuits, or result in a delay or the denial, suspension or revocation of 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 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 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 Administration 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, 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.

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, 2023, 111,132,222 shares were outstanding, 8,231,360 shares were reserved for issuance under our stock incentive plans or other outstanding options and 44,267,686 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 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 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, 2023, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately 56% 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 coupled with their positions on our management team. For example, these stockholders may be able to control or influence elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. 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 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, 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. Likewise, our independent registered public accounting firm will be required to provide an attestation report on the effectiveness of our internal control over financial reporting at such time as we cease to be an "emerging growth company," as defined in the Jumpstart our Business Startups Act (the "JOBS Act"), if we are an "accelerated filer" or "large accelerated filer" at such time.

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, 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.

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

Outstanding warrants to purchase an aggregate of 18,749,990 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 10,999,460 public warrants and 7,750,530 private placement warrants, related to Spartacus' initial public offering and financing. The 7,750,530 private placement warrants have been registered pursuant to the Registration Statement and are included on this Post-Effective Amendment. 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 the Notes in 2023 (Refer to Note 8 to our consolidated financial statements for the twelve months ended December 31, 2023 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. Sales of substantial numbers of shares of our Common Stock underlying the Debt Warrants in the public market 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 comprehensive cybersecurity program to support both the effectiveness of our systems and our preparedness for information security risks. This program includes a number of safeguards, such as: password protection; multi-factor authentication; continuous monitoring and alerting systems for internal and external threats using industry leading platform; 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 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 due diligence in connection with onboarding new vendors and 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 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. As of the date of this report, we are not aware of any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected our business strategy, results of operations or financial condition or are reasonably likely to have such a material effect.

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.

In the last year we did not experience any material cybersecurity incidents or threats.

Item 2. Properties.

We maintain a distributed workforce with facilities in McLean, Virginia, Sunnyvale, California, Puteaux, France, Noida, India and Bangalore, India. Our principle executive office is in McLean, Virginia. Our corporate offices in Virginia include executive, finance, regulatory and network deployment and operations functions, while our California facility hosts our technology development functions among other functions. Our French and Indian location houses a mix of employees and contractors 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 8, 2024, there were approximately 111 and 37 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.

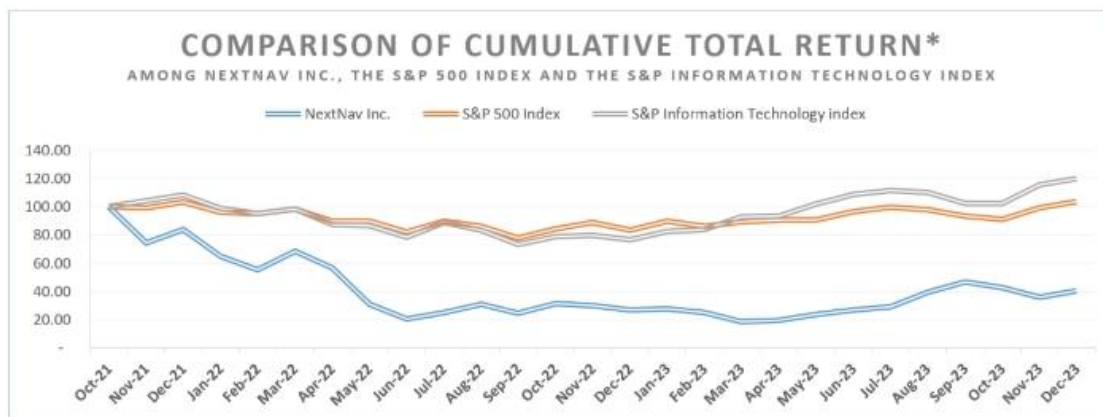
Securities Authorized for Issuance under Equity Compensation Plans

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, 2023, 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

In October 2023, we issued 719,693 unregistered shares of our common stock in connection with our acquisition of all of the issued and outstanding shares of NextNav France, pursuant to those certain Put & Call Option Agreements by and among the Company and certain shareholders of NextNav France, dated October 28, 2022. Such shares were issued in reliance upon the exemption from the registration requirements in Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder. The Company filed a registration statement on Form S-3 to register these shares with SEC on October 13, 2023, which was declared effective on October 26, 2023.

On December 1, 2023, we issued 448,466 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 SEC on December 11, 2023 (as amended by Amendment No. 1 on December 12, 2023), which was declared effective on December 15, 2023, 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

The shares we received in connection with the settlement of employee receivables were repurchased at the current market value of the shares. For the three months ended December 31, 2023, these shares consisted of the following:

	Total Number of Shares Purchased	Average Price Per Share
October 1 – October 31, 2023	128,035	\$ 5.16
November 1 – November 30, 2023	-	\$ -
December 1 – December 31, 2023	-	\$ -
Total	128,035	

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 Systems (“GPS”) and Global Navigation Satellite Systems (“GNSS”). Our complementary PNT solutions are built on a deep asset base, which we are evolving to utilize 5G New Radio (“5G NR”) technologies. We expect the evolution of our platform to 5G NR to significantly improve the efficiency and flexibility of our operations, technically enabling the delivery of high-bandwidth data services simultaneously with our industry-leading PNT solutions. Since the inception of NextNav, LLC in 2007, we have secured valuable Federal Communications Commission (“FCC”) licenses for a contiguous 8 MHz band of 900 MHz M-LMS spectrum covering over 90% of the U.S. population, been granted more than 180 patents related to our systems and services, and standardized our TerraPoiNT technology in 3GPP, the global telecommunications standards-setting body.

We deliver differentiated PNT solutions through our network-based Pinnacle and TerraPoiNT solutions. Our Pinnacle service provides accurate altitude to any device with a barometric pressure sensor, including most off-the-shelf Android and iOS smartphones, appropriately specified Internet of Things (“IoT”) devices, as well as vehicles and other equipment. In 2021, we launched our Pinnacle network in partnership with AT&T Services, Inc. (“AT&T”) for FirstNet®, the nationwide, interoperable public safety broadband network. Our Pinnacle network covers over 90% of commercial structures over three stories in the U.S., and in addition to FirstNet®, our network is being used for enhanced 911 (“E911”) by Verizon Communications, Inc. (“Verizon”), and a growing set of devices operating on the remaining national cellular network providers. Pinnacle has also been adopted by a growing number of public safety apps, commercial apps, and is available on multiple app development platforms. Our Pinnacle network is also an important component of our PNT resiliency services, and is being evaluated as a persistent PNT characterization platform. We believe that continuing integration of our Pinnacle service into devices and applications will support revenue growth over the coming year.

Our TerraPoiNT system is a terrestrially-based 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 the transmission of a PNT signal on our licensed 900 MHz LMS spectrum. Unlike GPS, the TerraPoiNT signal can be reliably received indoors and in urban areas, is difficult to jam or spoof, and can support signal authentication (e.g., encryption). Further, the TerraPoiNT signal can embed Pinnacle information to provide a full 3D PNT solution. TerraPoiNT offers positioning, navigation and can be configured to provide NIST-traceable timing services independently of GPS. We believe that these capabilities, whether as a more robust primary solution or as a backup in the event of GPS disruptions, are essential due to the economy's reliance on GPS for location and precision timing. GPS resiliency is increasingly a U.S. national security priority, 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, highlighted by recent events in Ukraine, the Middle East and elsewhere. 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.

Simultaneously, demand for wireless data services continues to grow. The backbone of wireless data services, electromagnetic spectrum, is a finite resource. Our spectrum licenses, covering 919.75-927.75 MHz, are referred to as “low-band spectrum”. There is a finite amount of low-band spectrum available, and it has favorable coverage characteristics compared to higher frequencies, including the ability to provide services indoors and at 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. Our transition to 5G NR as the basis for our PNT services will provide a technical basis for simultaneous broadband data in our band, in addition to our base PNT services, and, subject to appropriate regulatory approvals, may allow us to utilize our spectrum to help meet the continued, growing demand for wireless data capacity.

As of March 2024, TerraPoiNT is deployed and available, with metro-wide service in the San Francisco Bay Area and select services available in 92 total markets nationally. It is also in use by the National Aeronautics and Space Administration (“NASA”) at its Langley Research Center in Hampton, VA for drone operations research and at its Ames facility in Mountain View, CA, leveraging our network in the Bay Area.

On October 31, 2022, we acquired Nestwave, SAS, a French société par actions simplifiée (as subsequently renamed, “NextNav France”), a privately held global leader in low-power geolocation, and completed integrating the NextNav France team into our existing engineering and technology organization during 2023. NextNav France provides advanced geolocation solutions to IOT modem and digital signal processor vendors and end IOT users. We believe that the combination of our technology with NextNav France's LTE/5G capabilities will allow us to evolve our system to align with 5G NR.

NextNav France's intellectual property also included a “soft GPS” capability, allowing GPS processing on LTE and 5G NR chipsets, reducing the cost and power requirements for certain types of GPS services for IOT devices. We have licensed this technology to chipset vendors, including a global Tier 1 LTE and 5G NR modem vendor. We expect to start to see the results of these licensing arrangements in 2024.

Macroeconomic Factors

We are aware that network deployment projects are experiencing delays in schedules and potential cost increases due to a tight labor supply in the field services market. While the impact of this supply constraint is not material to our network projects at this time, we continue to carefully manage labor and materials supply matters. Additionally, there is an increased risk of financial market disruption. Management continues to actively monitor our financial condition, liquidity, operations, suppliers, industry and workforce. We expect these macroeconomic factors and their effects on our operations to continue through the remainder of 2024.

Key Components of Results of Operations

Revenue

We have generated limited revenue since our inception. We derive our revenue from PNT products and services, including “floor-level” altitude location data, and related 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, and professional services related to the maintenance of the equipment at each leased site. We expect our operations costs to increase for the foreseeable future as we continue to invest in our Pinnacle and TerraPoiNT networks 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, cloud hosting costs, and software licensing 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.

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, 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. As a result, we expect our selling, general and administrative expenses will increase in absolute dollars, subject to fluctuations in the volume of stock-based compensation granted, but may fluctuate as a percentage of total revenue over time.

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, 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:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Revenue	\$ 3,862	\$ 3,926
Operating Expense:		
Cost of goods sold ⁽¹⁾	12,743	11,806
Research and development ⁽¹⁾	19,503	17,059
Selling, general and administrative ⁽¹⁾	30,324	36,926
Depreciation and amortization	4,821	3,671
Total operating expenses	67,391	69,462
Operating loss	(63,529)	(65,536)
Interest income (expense)	(3,664)	901
Other income (expense)	(4,321)	24,491
Loss before income taxes	(71,514)	(40,144)
Benefit (Provision) for income taxes	(221)	28
Net loss	\$ (71,735)	\$ (40,116)

(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,	
	2023	2022
	(in thousands)	
Cost of goods sold	\$ 2,318	\$ 2,389
Research and development	6,655	6,743
Selling, general and administrative	12,865	17,369
Total stock-based compensation expense	\$ 21,838	\$ 26,501

Comparison of the Fiscal Years Ended December 31, 2023 and 2022

Revenue

	Year Ended December 31,			
	2023	2022	\$ Change	% Change
	(in thousands)			
Revenue	\$ 3,862	\$ 3,926	\$ (64)	(1.6)%

Revenue decreased by less than \$0.1 million, or 2%, for the year ended December 31, 2023 from the year ended December 31, 2022. The decrease was driven by decreased integration revenue, partially offset by increased recurring service revenue from technology and service contracts with commercial customers. For the year ended December 31, 2023, two customers accounted for 75% and 10% of total revenue. For the year ended December 31, 2022, two customers accounted for 83% and 10% of total revenue. Accounts receivable as of December 31, 2023 and December 31, 2022 were \$2.3 million and \$2.2 million, respectively; the deferred revenue balance as of December 31, 2023 and December 31, 2022 was \$0.3 million and \$0.1 million, respectively.

Operating Expense

Cost of Goods Sold (COGS)

	Year Ended December 31,			
	2023	2022	\$ Change	% Change
	(in thousands)			
COGS	\$ 12,743	\$ 11,806	\$ 937	7.9%

COGS increased by \$0.9 million, or 8%, to \$12.7 million for the year ended December 31, 2023 from \$11.8 million for the year ended December 31, 2022. The increase was primarily driven by a \$0.8 million increase in site rent expense due to deployment of new sites in 2023, a \$0.4 million increase in software license expenses, and a \$0.3 million increase in payroll-related expenses. The increases were partially offset by a \$0.3 million decrease in outside consulting expenses, a \$0.2 million decrease in maintenance and operational cost, and a \$0.1 million decrease in stock-based compensation.

Research and Development

	Year Ended December 31,			
	2023	2022	\$ Change	% Change
	(in thousands)			
Research and development	\$ 19,503	\$ 17,059	\$ 2,444	14.3%

Research and development expenses increased by \$2.4 million, or 14%, to \$19.5 million for the year ended December 31, 2023 from \$17.1 million for the year ended December 31, 2022. The increase was primarily driven by a \$1.6 million increase in payroll-related expenses driven by headcount, a \$0.5 million increase in maintenance and operational cost, a \$0.2 million increase in software license expenses, a \$0.2 million increase in outside consulting expenses, and a \$0.1 million increase in professional fee. The increases were partially offset by a \$0.1 million decrease in stock-based compensation.

Selling, General and Administrative

	Year Ended December 31,			
	2023	2022	\$ Change	% Change
	(in thousands)			
Selling, general and administrative	\$ 30,324	\$ 36,926	\$ (6,602)	(17.9)%

Selling, general and administrative expenses decreased by \$6.6 million, or 18%, to \$30.3 million during the year ended December 31, 2023 from \$36.9 million in the year ended December 31, 2022. The decrease was primarily driven by a \$4.5 million decrease in stock-based compensation, a \$1.0 million decrease in professional services, a \$1.0 million decrease in directors' and officers' insurance, a \$0.8 million decrease in outside consulting expenses, and a \$0.4 million decrease in marketing and recruiting cost. The decreases were partially offset by a \$0.9 million increase in payroll-related expenses driven by headcount and a \$0.2 million increase in other operational expenses.

Depreciation and Amortization

	Year Ended December 31,			
	2023	2022	\$ Change	% Change
	(in thousands)			
Depreciation and amortization	\$ 4,821	\$ 3,671	\$ 1,150	31.3%

Depreciation and amortization expenses increased by \$1.2 million, or 31%, to \$4.8 million during the year ended December 31, 2023 from \$3.7 million during the year ended December 31, 2022. The increase in depreciation and amortization expense is primarily attributable to placing the Pinnacle and TerraPoiNT network assets in service since the third quarter of 2022 and amortization related to acquired intangibles in the fourth quarter of 2022.

Interest Income (Expense)

	Year Ended December 31,			
	2023	2022	\$ Change	% Change
	(in thousands)			
Interest income (expense)	\$ (3,664)	\$ 901	\$ (4,565)	(506.7)%

Interest expense was \$7.4 million whereas interest income was \$3.7 million resulting in net interest expense of \$3.7 million for the year ended December 31, 2023 compared with interest income of \$0.9 million for the year ended December 31, 2022. The increase in interest expense was due to interest and amortization of debt discounts on our senior secured notes issued during 2023.

Other Income (Expense)

	Year Ended December 31,			
	2023	2022	\$ Change	% Change
	(in thousands)			
Other income (expense)	\$ (4.321)	\$ 24.491	\$ (28.812)	(117.6)%

Other expense was \$4.3 million for the year ended December 31, 2023 compared with other income of \$24.5 million for the year ended December 31, 2022. The change in other expense was primarily driven by change in the fair value of warrants.

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, 2023 and 2022, we incurred net losses of \$ 71.7 million and \$40.1 million, respectively. During each of the twelve months ended December 31, 2023, our net cash used in operating activities and cash provided by investing activities was \$35.4 million and \$1.1 million, respectively. During the twelve months ended December 31, 2022, our net cash used in operating activities and investing activities was \$37.1 million and \$15.7 million, respectively. As of December 31, 2023, we had cash and cash equivalents and marketable securities of \$85.8 million and an accumulated deficit of \$ 760.2 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, 2023 will be sufficient to meet our working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months. 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, 2023 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,	
	2023	2022
	(in thousands)	
Net cash (used in) operating activities	\$ (35,440)	\$ (37,095)
Net cash provided (used in) investing activities	1,074	(15,736)
Net cash provided by financing activities	68,984	43

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 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.

Net cash used in operating activities during 2022 was \$37.1 million, resulting from a net loss of \$40.1 million and non-cash charge of \$ 24.7 million for the change in fair value of warrant liability, adjusted for non-cash charges of \$26.5 million in stock-based compensation charges, \$0.23 million for equity method investment loss, non-cash charges of \$3.7 million in depreciation, and a decrease of \$ 2.7 million in accounts payable, prepaid and other current assets.

Cash Flows from Investing Activities

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.

Net cash used in investing activities during 2022 was \$15.7 million, representing additions to short term investment, acquisition of NextNav France, equity method investments, and property and equipment primarily related to the deployment of the Pinnacle and TerraPoiNT network and internal use software.

Cash Flows from Financing Activities

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.

Net cash provided by financing activities during 2022 was \$43 thousand, primarily reflecting cash proceeds from exercise of common stock options.

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, 2023 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 \$ 85.8 million as of December 31, 2023, 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, 2023, we had long-term debt of \$ 48.4 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, 2023. 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, 2023.

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, 2023 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, 2023, 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, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

On December 12, 2023, Robert Lantz, General Counsel, modified a Rule 10b5-1 plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. Such Rule 10b5-1 trading plan provides for the potential sale of up to 52,683 of shares. This plan will terminate on 12/31/2024.

On December 20, 2023, a Rule 10b5-1 plan adopted by Ganesh Pattabiraman, former Chief Executive Officer, was terminated pursuant to the terms and conditions of such plan. This plan was adopted on June 22, 2023. The plan was adopted to facilitate the sale by Ganesh Pattabiraman of 209,113 shares of our common stock owned by Ganesh Pattabiraman.

No other officers or directors, as defined in Rule 16a-1(f), adopted and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 508 of Regulation S-K, during the last fiscal quarter.

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. 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 in our 2024 Proxy Statement to be filed with the SEC within 120 days of December 31, 2023 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 in our 2024 Proxy Statement to be filed with the SEC within 120 days of December 31, 2023 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 in our 2024 Proxy Statement to be filed with the SEC within 120 days of December 31, 2023 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 in our 2024 Proxy Statement to be filed with the SEC within 120 days of December 31, 2023 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 in our 2024 Proxy Statement to be filed with the SEC within 120 days of December 31, 2023 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*†	<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>
3.1*	<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>
3.2*	<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>
4.1*	<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>
4.2*	<u>Specimen Warrant Certificate (included in Exhibit 4.3).</u>
4.3*	<u>Amended and Restated Warrant Agreement, by and among Spartacus Acquisition Corporation, NextNav Inc., and Continental Stock Transfer & 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>
4.4*	<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>
4.5*	<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).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>
4.6*	<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>
4.7*†	<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>
4.8*†	<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>
4.9*	<u>Warrant Agreement, dated May 15, 2023, by and between NextNav Inc. and Continental Stock Transfer & 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>

4.10*†	<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>
10.1*	<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>
10.2*+	<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>
10.4*+	<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>
10.5*+	<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>
10.6*+	<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>
10.7*!	<u>Equipment, Network Colocation and Installation Agreement, dated October 7, 2019, by and between NextNav, LLC and AT&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>
10.8*	<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>
10.9*	<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>
10.11*+	<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>
10.12*+	<u>Employment Agreement, dated as of November 17, 2021, by and between NextNav Inc. and David Knutson (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by NextNav Inc. on November 17, 2021).</u>
10.13*+	<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>
10.14*+	<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>
10.15*+	<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>

10.16*+	<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>
10.17*+	<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>
10.18!	<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>
10.19+	<u>Employment Agreement, dated as of November 29, 2023, by and between NextNav Inc. and Mariam Sorond.</u>
10.20+	<u>Consulting Agreement, dated as of November 29, 2023, by and between NextNav Inc. and Ganesh Pattabiraman.</u>
10.21+	<u>Form of Performance-Based Restricted Stock Unit Agreement under the NextNav Inc. 2021 Omnibus Incentive Plan (Employees).</u>
10.22*	<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>
21.1	<u>Subsidiaries of the Registrant.</u>
23.1	<u>Consent of Ernst & Young LLP.</u>
31.1	<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>
31.2	<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>
32.1**	<u>Certification of the Chief Executive Officer & Chief Financial Officer pursuant to 18 U.S.C. Section 1350.</u>
97	<u>Incentive Compensation Recovery Policy.</u>
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 exhibits have been omitted pursuant to Rule 601(a)(5) of Regulation S-K under the Securities Act. A copy of any omitted schedule or exhibit will be furnished 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 promulgated under the Securities Act. NextNav 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 13, 2024

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.

Signature	Capacity	Date
<u>/s/ Mariam Sorond</u> Mariam Sorond	President, Chief Executive Officer and Director (Principal Executive Officer)	March 13, 2024
<u>/s/ Christian D. Gates</u> Christian D. Gates	Chief Financial Officer (Principal Financial Officer)	March 13, 2024
<u>/s/ Sammaad R. Shams</u> Sammaad R. Shams	Corporate Accounting Officer (Principal Accounting Officer)	March 13, 2024
<u>/s/ Gary M. Parsons</u> Gary M. Parsons	Chairman and Director	March 13, 2024
<u>/s/ Peter D. Aquino</u> Peter D. Aquino	Director	March 13, 2024
<u>/s/ Neil S. Subin</u> Neil S. Subin	Director	March 13, 2024
<u>/s/ Bandel L. Carano</u> Bandel L. Carano	Director	March 13, 2024
<u>/s/ Alan B. Howe</u> Alan B. Howe	Director	March 13, 2024
<u>/s/ John B. Muleta</u> John B. Muleta	Director	March 13, 2024

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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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, 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 13, 2024

NEXTNAV INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2023	2022
	(in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 81,878	\$ 47,230
Short Term Investment	3,954	8,216
Accounts Receivable	2,332	2,168
Other current assets	3,056	3,576
Total current assets	\$ 91,220	\$ 61,190
Network under construction	1,676	3,574
Property and equipment, net of accumulated depreciation of \$ 9,724 and \$ 5,971 at December 31, 2023 and 2022, respectively	19,885	19,180
Operating lease right-of-use assets	19,267	10,143
Goodwill	17,977	17,493
Intangible assets, net	10,625	10,397
Other assets	1,508	1,811
Total assets	\$ 162,158	\$ 123,788
Liabilities, preferred interests, and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	\$ 391	\$ 1,019
Accrued expenses and other current liabilities	6,592	5,241
Short term lease liabilities - operating	2,523	2,532
Deferred revenue	297	95
Total current liabilities	\$ 9,803	\$ 8,887
Warrants	7,053	4,200
Long-term lease liabilities - Operating	15,145	5,290
Other long-term liabilities	1,614	1,547
Long-term debt, net of debt issuance cost and discount	48,447	—
Total liabilities	\$ 82,062	\$ 19,924
Stockholders' equity (deficit):		
Common Stock, authorized 500,000,000 shares; 111,260,257 and 106,418,442 shares issued and 111,132,222 and 106,417,265 shares outstanding at December 31, 2023 and 2022, respectively	\$ 12	\$ 12
Additional paid-in capital	837,416	787,130
Accumulated other comprehensive income	2,198	1,371
Accumulated deficit	(760,227)	(688,492)
Common stock in treasury, at cost, 128,035 and 1,177 shares at December 31, 2023 and December 31, 2022, respectively	(665)	(4)
Total stockholders' equity (deficit)	\$ 78,734	\$ 100,017
Non-controlling interests	1,362	3,847
Total liabilities, preferred interests, stockholders' equity (deficit) and non-controlling interests	\$ 162,158	\$ 123,788

See accompanying notes.

NEXTNAV INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year Ended December 31,	
	2023	2022
	(in thousands, except per share amounts)	
Revenue	\$ 3,862	\$ 3,926
Operating expenses:		
Cost of goods sold (exclusive of depreciation and amortization)	12,743	11,806
Research and development	19,503	17,059
Selling, general and administrative	30,324	36,926
Depreciation and amortization	4,821	3,671
Total operating expenses	\$ 67,391	\$ 69,462
Operating loss	(63,529)	(65,536)
Other income (expense):		
Interest income (expense)	(3,664)	901
Change in fair value of warrants	(4,101)	24,675
Other loss, net	(220)	(184)
Loss before income taxes	\$ (71,514)	\$ (40,144)
Benefit (Provision) for income taxes	(221)	28
Net loss	\$ (71,735)	\$ (40,116)
Foreign currency translation adjustment	827	1,492
Comprehensive loss	\$ (70,908)	\$ (38,624)
Net loss	\$ (71,735)	\$ (40,116)
Net loss attributable to common stockholders	\$ (71,735)	\$ (40,116)
Weighted average of shares outstanding – basic and diluted	107,972	101,029
Net loss attributable to common stockholder per share – basic and diluted	\$ (0.66)	\$ (0.40)

See accompanying notes.

NEXTNAV INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss)	Treasury stock, at cost	Stockholders' (Deficit) Equity	Non- controlling interests	Total Equity
	Units	Value							
Balance, December 31, 2021	96,546,611	\$ 11	\$ 747,928	\$ (648,376)	\$ (121)	\$ —	\$ 99,442	\$ —	\$ 99,442
Vesting of RSUs	1,185,152	—	—	—	—	—	—	—	—
Issuance of RSAs	270,164	—	—	—	—	—	—	—	—
Cancellation of RSAs	(57,282)	—	—	—	—	—	—	—	—
Exercise of common stock options	116,692	—	—	—	—	—	—	—	—
Exercise of common warrants	4,308,307	—	56	—	—	—	56	—	56
Stock-based compensation expense	—	—	25,252	—	—	—	25,252	—	25,252
Net loss	—	—	—	(40,116)	—	—	(40,116)	—	(40,116)
Foreign currency translation adjustment	—	—	—	—	1,492	—	1,492	—	1,492
Common stock received for tax withholding	(1,177)	—	—	—	—	(4)	(4)	—	(4)
Issuance of shares related to acquisition	4,042,837	1	13,867	—	—	—	13,868	3,868	17,736
Redemption of non-controlling interests	5,961	—	27	—	—	—	27	(21)	6
Balance, December 31, 2022	106,417,265	\$ 12	\$ 787,130	\$ (688,492)	\$ 1,371	\$ (4)	\$ 100,017	\$ 3,847	\$ 103,864
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
Balance, December 31, 2023	111,132,222	12	837,416	(760,227)	2,198	(665)	78,734	1,362	80,096

See accompanying notes.

NEXTNAV INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Operating activities		
Net loss	\$ (71,735)	\$ (40,116)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,821	3,671
Equity-based compensation	21,838	26,501
Change in fair value of warrant liability	4,101	(24,675)
Realized and unrealized gain on marketable securities	(546)	(72)
Equity method investment loss	191	230
Asset retirement obligation accretion	66	56
Amortization of debt issuance costs and discount	3,151	—
Changes in operating assets and liabilities:		
Accounts receivables	(164)	(428)
Other current assets	537	593
Other assets	119	161
Accounts payable	(627)	486
Deferred revenue	202	(1,537)
Accrued expenses and other liabilities	1,884	(2,501)
Operating lease right-of-use assets and liabilities	722	536
Net cash used in operating activities	\$ (35,440)	\$ (37,095)
Investing activities		
Capitalization of costs and purchases of network assets, property, and equipment	(2,751)	(2,964)
Purchase of equity method investments	—	(1,125)
Purchase of marketable securities	(37,441)	(13,644)
Sale and maturity of marketable securities	42,249	5,500
Purchase of business, net of cash acquired	—	(2,890)
Purchase of internal use software	(983)	(613)
Net cash provided by (used in) investing activities	\$ 1,074	\$ (15,736)
Financing activities		
Proceeds from debt	70,000	—
Payments towards debt issuance cost	(1,861)	—
Payments towards debt	(110)	(17)
Proceeds from exercise of stock option	73	57
Proceeds from exercise of warrants	882	—
Proceeds from issuance of common stock	—	7
Purchase of common stock (withholding taxes)	—	(4)
Net cash provided by financing activities	\$ 68,984	\$ 43
Effect of exchange rates on cash and cash equivalents	30	(58)
Net increase (decrease) in cash and cash equivalents	34,648	(52,846)
Cash and cash equivalents at beginning of period	47,230	100,076
Cash and cash equivalents at end of period	\$ 81,878	\$ 47,230
Non-cash investing and financing activities		
Common stock issued in acquisition of business	\$ —	\$ 13,888
Capital expenditure included in Accrued expenses and other current liabilities	\$ 285	\$ 605
Reclassification of warrant liability to common stock warrants	\$ 1,248	\$ —
Issuance of warrants	\$ 22,843	\$ —
Interest paid in shares	\$ 1,888	\$ —
Interest paid in cash	\$ 1,808	\$ —
Income taxes paid, net	\$ 147	\$ —

See accompanying notes.

NEXTRAV INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business

Principal Business

NextNav Inc. and its consolidated subsidiaries (collectively "NextNav" or the "Company") deliver next generation positioning, navigation and timing ("PNT") solutions built on a robust asset platform, including 8 MHz of nearly nationwide wireless spectrum in the 900 MHz band, intellectual property and deployed network systems. The Company's Pinnacle system provides "floor-level" altitude service to any device with a barometric pressure sensor, including most off-the-shelf Android and iOS smartphones. The Company's TerraPoiNT system is a terrestrial-based, encrypted network designed to overcome the limitations inherent in the space-based nature of global positioning system ("GPS") through a network of specialized wide area location transmitters that broadcasts an encrypted PNT signal over the Company's licensed spectrum.

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, 2023 and 2022, the Company incurred net losses of \$ 71.7 million and \$ 40.1 million, respectively. During the years ended December 31, 2023 and 2022, net cash used in operating activities was \$ 35.4 million and \$ 37.1 million, respectively. As of December 31, 2023, cash and cash equivalents and marketable securities was \$ 85.8 million. The Company's primary use of cash is to fund operations as NextNav continues to 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, 2023 will be sufficient to meet its working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months. 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 have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). All intercompany transactions have been eliminated in consolidation.

Use of Estimates

In preparing the consolidated financial statements in conformity with U.S. GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period and accompanying notes. These estimates include those related to the useful lives and recoverability of long-lived and intangible assets, valuation of common stock warrants, income taxes and equity-based compensation, among others. 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. 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. The Company's marketable securities are classified as trading and are measured at fair value with the related gains and losses, including unrealized, recognized in interest income (expense).

Equity Method Investment

The Company reports its investments in unconsolidated entities, over whose operating and financial policies the Company has the ability to exercise 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 its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. 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 investments for the year ended December 31, 2023.

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 under construction. 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.

NEXTRAV 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 assets and liabilities are included on the Consolidated Balance Sheet. 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, 2023 is classified in other long-term liabilities.

Asset retirement obligations for the years ended December 31, 2023 and 2022 were:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Beginning Balance	\$ 1,147	\$ 975
Liabilities incurred	164	6
Liabilities settled	(37)	(18)
Change in estimates	—	128
Accretion	66	56
Ending Balance	\$ 1,340	\$ 1,147

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

NEXTRAV 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. In 2023 and 2022, the Company capitalized \$ 1.0 million and \$ 0.6 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 \$ 0.4 million for each of the years ended December 31, 2023 and December 31, 2022.

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, 2023 and December 31, 2022. The following summarizes our goodwill activities (in thousands):

	Year Ended December 31,	
	2023	2022
Beginning Balance	\$ 17,493	\$ —
New acquisition	—	16,317
Changes in foreign exchange rates	580	1,176
Purchase price adjustment	(96)	—
Ending Balance	\$ 17,977	\$ 17,493

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, 2023, and 2022, the Company determined that no events or changes in circumstances existed that would indicate any impairment of its long-lived assets.

NEXTRAV INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2023 and 2022, 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 statement of operations. 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.

NEXTNAV 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 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.

Non-controlling Interests

The non-controlling interests in the Company's consolidated financial statements represents the warrants for Nestwave, SAS, a French société par actions simplifiée (as subsequently renamed, "NextNav France") shares that were owned by the selling shareholders of NextNav France. Holders of the warrants do not have the right to income or obligation to losses, and the Company did not attribute any net loss to the non-controlling interests for the years ended December 31, 2023 and December 31, 2022.

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.

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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 our financial statements.

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

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Commercial	\$ 3,765	\$ 3,499
Government contracts	20	32
Equipment sales	77	395
Total revenue	<u>\$ 3,862</u>	<u>\$ 3,926</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, 2023 and 2022 the Company's accounts receivable balances were \$ 2.3 million and \$ 2.2 million, respectively. The Company adopted ASU 2016-13, Financial Instruments — Credit Losses (Topic 326) as of January 1, 2023. 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 conditions. 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, 2023 and December 31, 2022, all accounts receivable balances were current and no allowance for credit losses were recorded.

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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, 2023 and 2022, the Company's contract liabilities balances were \$ 0.3 million and \$ 0.1 million, respectively.

Cost of Goods Sold

COGS consist of personnel-related expenses, including salaries, benefits and stock-based compensation, and allocated facility costs for the Company's operations and manufacturing teams. COGS also includes expenses for site leases, cost of equipment, and professional services related to the installation and 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, cloud hosting costs, and software licensing costs.

Selling, General and Administrative

SG&A 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. SG&A 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:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Cost of goods sold	\$ 2,318	\$ 2,389
Research and development	6,655	6,743
Selling, general and administrative	12,865	17,369
Total stock-based compensation expense	<u>\$ 21,838</u>	<u>\$ 26,501</u>

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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,	
	2023	2022
	(in thousands, except per share amounts)	
Numerator		
Net loss attributable to common stockholders	\$ 71,735	\$ 40,116
Denominator		
Weighted average shares – basic and diluted	107,972	101,029
Basic and diluted loss per share	\$ 0.66	\$ 0.40

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,	
	2023	2022
	(in thousands)	
Antidilutive Shares Excluded		
Warrants	44,268	18,750
Stock Options	3,641	2,293
Unvested Restricted Stock Units	4,987	2,380
Unvested Restricted Stock Awards	334	208

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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, 2023 and 2022. 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. Substantially all long-lived tangible assets are located in the United States.

For the year ended December 31, 2023, two customers accounted for 75 % and 10 % of total revenue. For the year ended December 31, 2022, two customers accounted for 83 % and 10 % of total revenue. Substantially all revenue was generated from the United States.

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Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments — Credit Losses (Topic 326) ("ASU 2016-13"), which requires that an entity measure and recognize expected credit losses for financial assets held at amortized cost and replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that requires consideration of a broader range of information to estimate credit losses. The guidance also modifies the impairment model for available-for-sale debt securities. ASU 2016-13 is effective for the Company's fiscal year beginning January 1, 2023. The Company adopted this ASU as of January 1, 2023. The adoption did not have a material impact on the consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt-with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40), which simplifies and clarifies certain calculation and presentation matters related to convertible equity and debt instruments and its application of the derivatives scope exception for contracts in its own equity. Specifically, ASU-2020-06 removes three of the seven conditions for a contract to be classified as equity. ASU 2020-06 is effective for the Company's fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Company early adopted ASU 2020-06 in 2023. The Company concluded equity classification for the freestanding warrants issued in conjunction with the 10% senior secured notes due 2026 under the guidance of this ASU.

Recent Accounting Developments Not Yet Adopted

During the fourth quarter of 2023, the FASB issued two ASUs that require additional disclosures related to reportable segments under ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07") and income taxes under ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-07 is effective for the Company's annual periods beginning January 1, 2024, and for interim periods beginning January 1, 2025, with early adoption permitted. It requires the Company to disclose information about significant expenses on an interim and annual basis for each reportable segment. 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 is currently evaluating the potential effect that the updated standards will have on the financial statement disclosures.

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. Acquisition

On October 31, 2022 (the "Closing Date"), the Company completed the acquisition of all outstanding equity in NextNav France, which was a privately held French company that is a global leader in low-power geolocation. The acquisition is expected to significantly accelerate the availability of resilient 3D position, navigation and timing, release the underlying spectrum's capacity for additional data-oriented services and enables broader penetration of NextNav's applications and technology across the handset and device ecosystem for all of its products and target markets. The acquisition is accounted for under the acquisition method of accounting in accordance with Accounting Standard Codification ("ASC") 805 Business Combinations.

The Company acquired NextNav France for \$ 21.6 million, net of cash acquired of \$ 0.4 million. The purchase price for financial reporting purpose includes \$ 3.2 million cash paid upfront and \$ 0.8 million payable on or prior to first anniversary of the Closing Date, an aggregate of 5,170,495 shares of the Company's common stock valued at \$ 17.7 million, and cash contingent consideration of up to \$ 0.3 million. The fair value of the Company's common stock was determined on the basis of its closing market price on the Closing Date. Contingent consideration was measured based on government grants and tax credits. During the twelve months ended December 31, 2023, the Company paid cash to settle all of the contingent consideration liability. During the twelve months ended December 31, 2023, the Company increased the fair value of contingent consideration liability by \$ 0.1 million. The Company incurred acquisition-related costs of \$ 0.9 million associated with the acquisition and were included in the selling, general and administrative expenses in the Consolidated Statements of Comprehensive Loss for the twelve months ended December 31, 2022.

The earnings of NextNav France have been included in the consolidated financial statements of the Company beginning November 1, 2022. The pro forma financial information, assuming the acquisition had taken place on January 1, 2021, as well as the revenue and earnings generated during the period after the acquisition date, were not material for separate disclosure and, accordingly, have not been presented.

The fair value measurements of the identified intangible assets on acquisition date were based primarily on significant unobservable inputs and thus represent a Level 3 measurement as defined in ASC 820 Fair Value Measurements. The fair values of technology and software were determined using the replacement cost method under the cost approach. The excess of the purchase price over the fair value of the tangible net assets and intangible assets acquired was recognized as goodwill and is attributable to a number of business factors, including but not limited to, the acquired workforce and expanded market opportunities when integrating NextNav France's software and technology with the Company's other offerings. Goodwill generated from the acquisition is not deductible for tax purposes.

As of October 31, 2022, the purchase price assigned to the acquired assets and assumed liabilities is summarized as follows. The Company provided estimates of balances as of December 31, 2022 and updated these estimates as more information became available. The Company has completed this exercise. The assets and liabilities of NextNav France recorded in the Company's financial statements at the acquisition date are summarized below:

	Preliminary	Adjustments	Final
	(in thousands)		
Cash acquired	\$ 433	\$ —	\$ 433
Other current assets	436	—	436
Property and equipment	69	—	69
Other noncurrent assets	50	—	50
Intangible assets:			
Technology	541	—	541
Software	5,128	—	5,128
Goodwill	16,317	(96)	16,221
Total assets acquired	<u>\$ 22,974</u>	<u>\$ (96)</u>	<u>\$ 22,878</u>
Current liabilities	760	—	760
Noncurrent liabilities	501	(96)	405
Net assets acquired	<u>\$ 21,713</u>	<u>\$ —</u>	<u>\$ 21,713</u>

The estimated useful lives of the identified finite-lived intangible assets from the acquisition is 12 years for technology and software.

Certain shareholders of NextNav France hold warrants for NextNav France shares that remained unexercised and outstanding as of the Closing Date. The Company and the holders of unexercised warrants entered into Put & Call Option Agreements whereby, upon exercising the warrants, the Company agreed to issue a total of 1.1 million shares of the Company's common stock in exchange for NextNav France shares to the exercising warrant holders. The Company recognized the warrants at acquisition date fair value of \$ 3.9 million as non-controlling interests. During the twelve months ended December 31, 2023, 724,402 warrants for NextNav France shares were exercised and 719,693 shares of the Company's Common Stock were issued, resulting in redemption of non-controlling interest of \$ 2.5 million. During the twelve months ended December 31, 2022, 6,000 warrants for NextNav France shares were exercised and 5,961 shares of the Company's Common Stock were issued, resulting in redemption of non-controlling interests of \$ 21 thousand. Holders of the warrants do not have the right to income or the obligation to losses, and the Company did not attribute any net loss to the non-controlling interests for the years ended December 31, 2023 and December 31, 2022.

4. Property, Equipment, Network Under Construction, and Intangible Assets

Property and equipment and network under construction consisted of the following:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Network under construction	\$ 1,676	\$ 3,574
TerraPoiNT network	21,047	16,961
Office equipment, furniture, and leasehold improvements	1,981	1,609
Pinnacle network	6,581	6,581
Accumulated depreciation	(9,724)	(5,971)
Property and equipment, net	<u>\$ 21,561</u>	<u>\$ 22,754</u>

Depreciation expense on property and equipment was \$ 3.8 million and \$ 3.3 million for the years ended December 31, 2023 and 2022, respectively.

Network under construction consisted of a tower and rooftop network of beacons with total balances of \$ 1.7 million and \$ 3.6 million as of December 31, 2023 and 2022, respectively. There was no depreciation expense on network under construction in 2023 or 2022. No impairment was recorded for the years ended December 31, 2023 or 2022.

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>

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

Intangible assets as of December 31, 2022 consisted of the following (in thousands):

	Gross Amount	Accumulated Amortization	Net Carrying Value
Indefinite-Lived intangible assets	\$ 3,467	\$ —	\$ 3,467
Acquired Software	6,999	1,561	5,438
Acquired Technology	580	8	572
Internal Use Software	1,560	640	920
	<u>\$ 12,606</u>	<u>\$ 2,209</u>	<u>\$ 10,397</u>

The weighted average remaining useful lives of acquired software and acquired technology were 11.9 years as of December 31, 2022.

Amortization expense on intangible assets was \$ 1.1 million and \$ 0.4 million for the years ended December 31, 2023 and 2022, respectively. Future amortization is expected as follows:

2024	\$ 1,120
2025	1,058
2026	873
2027	525
2028 and thereafter	3,582
	<u>\$ 7,158</u>

5. Leases

All leases were classified as operating leases as of December 31, 2023 and 2022.

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

	Year Ended December 31,	
	2023	2022
Operating lease cost	\$ 4,852	\$ 4,126
Variable lease cost	\$ 154	\$ 107
Short-term lease cost	\$ 363	\$ 232

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

	Year Ended December 31,	
	2023	2022
Operating cash flows from operating leases	\$ 4,577	\$ 3,899
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 4,252	\$ 9,598

As of December 31, 2023, the Company's operating leases had a weighted average remaining lease term of 7.3 years and a weighted average discount rate of 7.5 %.

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Future lease payments under operating leases as of December 31, 2023 were as follows (in thousands):

2024	\$ 3,760
2025	3,474
2026	3,182
2027	2,427
2028	2,214
Thereafter	8,476
Total undiscounted future lease payments	\$ 23,533
Less imputed interest	5,865
Total lease liability balance	<u>\$ 17,668</u>

As of December 31, 2023, the Company did not enter into leases that have not yet commenced. As of December 31, 2022, the Company entered into leases that have not yet commenced with future lease payments of \$ 2.3 million. These leases commenced during the year ended December 31, 2023 with non-cancelable lease terms of 3 to 5 years.

6. Equity Method Investment

As of December 31, 2023, 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 \$ 191 thousand for the year ended December 31, 2023 in other income (expense). The carrying value of the Company's investment in MetCom was \$ 704 thousand as of December 31, 2023 and is classified in other long-term assets. As of December 31, 2023 and December 31, 2022, the Company had \$ 107 thousand and \$ 279 thousand in accounts receivable from MetCom, respectively.

The Company holds a warrant (the "Warrant") issued by MetCom which entitles the Company to purchase additional shares at an exercise price of JPY

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per share, such that the Company may obtain an aggregate total of

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% 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, 2023; 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,	
	2023	2022
	(in thousands)	
Accrued salary and other employee liabilities	\$ 3,913	\$ 2,420
Accrued legal and professional services	324	387
Accrued interest	583	—
Other accrued liabilities	1,772	2,434
Total	\$ 6,592	\$ 5,241

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 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 Company has the right to redeem for cash the applicable pro rata portion of any Debt Warrant on each of May 1, 2025, September 1, 2025 and December 1, 2025, in each case, at a redemption price of \$ 0.01 per share of underlying common stock, where there exists both a Funding Shortfall (as defined in the Debt Warrants) and the market price of the underlying common stock, calculated in accordance with the provisions of the Debt Warrants, exceeds 130 % of the exercise price of the Debt Warrants. 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 \$ 48.4 million as of December 31, 2023 net of debt discount of \$ 21.6 million. Net amortization of the debt discount totaled \$ 3.2 million for the year ended December 31, 2023. The total estimated fair value of the Notes approximates the carrying value of the Notes as of December 31, 2023. 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.

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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, 2023, the Company was in compliance with all of the applicable debt covenants described above.

9. Warrants and Warrant Liability

As of December 31, 2023, NextNav had 44,267,686 warrants outstanding, which includes: (a) 10,999,460 public warrants associated with Spartacus Acquisition Corp.'s ("Spartacus") initial public offering (the "Public Warrants") and (b) 7,750,530 warrants issued to Sponsor in a private placement on the initial public offering closing date (the "Private Placement Warrants") and (c) 25,517,696 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, 2023. During the twelve months ended December 31, 2023, 999,470 Private Placement Warrants were reclassified from liability to equity (Public Warrants). The terms included in the Private Warrants that initially precluded equity classification were no longer applicable. Accordingly, NextNav reclassified \$ 1.2 million from warrant liability to additional paid-in capital in its Consolidated Balance Sheet. As of December 31, 2023, the Company recorded \$ 4.1 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 five years after the October 28, 2021 completion of that certain business combination by and among the Company, Spartacus, NextNav Holdings, LLC ("Holdings"), and the other parties thereto (the "Business Combination").

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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The Company has the right to redeem for cash the applicable pro rata portion of any Debt Warrant on each of May 1, 2025, September 1, 2025 and December 1, 2025, in each case, at a redemption price of \$ 0.01 per share of underlying common stock, where there exists both a Funding Shortfall (as defined in the Debt Warrant) and the market price of the underlying common stock, calculated in accordance with the provisions of the Debt Warrants, exceeds 130 % of the exercise price of the Debt Warrants. The fair value of the Debt Warrants was \$ 22.8 million on the 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, 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 SEC on June 23, 2023, which the SEC declared effective on June 29, 2023.

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.

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

	Level 1	Level 2	Level 3	Total
	(in thousands)			
December 31, 2023				
Cash and Cash Equivalents - Money Market Funds	\$ 127	\$ —	\$ —	\$ 127
Cash and Cash Equivalents - U.S. Government Agency Bonds	—	79,425	—	79,425
Short term investments - U.S. Government Agency Bonds	—	3,954	—	3,954
Private Placement Warrants	—	—	7,053	7,053
December 31, 2022				
Cash and Cash Equivalents - Money Market Funds	95	—	—	95
Cash and Cash Equivalents - U.S. Government Agency Bonds	—	36,509	—	36,509
Short term investments - U.S. Government Agency Bonds	—	8,216	—	8,216
Private Placement Warrants	\$ —	\$ —	\$ 4,200	\$ 4,200

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, 2023 and 2022, NextNav used a Monte Carlo simulation model. The following table shows the assumptions used in each respective model:

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	December 31, 2023 Values	December 31, 2022 Values
Stock Price	\$ 4.45	\$ 2.93
Strike price	\$ 11.50	\$ 11.50
Holding Period/Term (years)	2.82	3.82
Volatility	66.90%	62.00%
Expected dividends	None	None
Risk-Free Rate	4.05%	4.13%
Fair value of warrants	\$ 0.91	\$ 0.48

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).

Warrants:	(in thousands)
Balance as of January 1, 2023	\$ 4,200
Fair value adjustment of Private Placement Warrants	4,101
Reclassification of Private Placement Warrants to Public Warrants	(1,248)
Balance as of December 31, 2023	\$ 7,053

11. Common Stock

In connection with the Business Combination, NextNav amended and restated its certificate of incorporation. As of December 31, 2023, 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, 2023, NextNav had 111,260,257 shares of common stock issued and 111,132,222 shares of common stock outstanding.

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 each fiscal year beginning with the 2023 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, 2023, a total of 8,231,360 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,	
	2023	2022
Expected volatility	60 - 67.2%	52.9%
Expected term (years)	4.41 - 6.25	6.25
Expected dividends	—	—
Risk-free rate	3.58 - 4.23%	1.83%

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)				
Outstanding at December 31, 2022	2,293	\$ 2.22	\$ 8.04	\$ 4,464
Granted	1,989	3.01	—	—
Cancelled	379	3.46	—	—
Expired	2	0.28	—	—
Exercised	260	0.28	—	—
Options outstanding at December 31, 2023	<u>3,641</u>	<u>\$ 2.66</u>	<u>\$ 8.13</u>	<u>\$ 8,388</u>
Options exercisable at December 31, 2023	1,774	\$ 1.92	\$ 7.20	\$ 5,102
Options exercisable at December 31, 2022	1,296	\$ 0.44	\$ 7.64	\$ 3,357
Unvested at December 31, 2023	1,897	\$ 3.35	\$ 8.99	\$ 2,982
Unvested at December 31, 2022	997	\$ 4.52	\$ 8.56	\$ 1,107

The weighted average grant date fair value of options granted during the years ended December 31, 2023 and 2022 was \$ 2.52 and \$ 6.98 , respectively. The intrinsic value of options exercised during the years ended December 31, 2023 and 2022 was \$ 1.09 million and \$ 0.29 million, respectively.

As of December 31, 2023, the total compensation cost related to nonvested awards not yet recognized was \$ 3.28 million and the weighted-average period over which it is expected to be recognized was 2.6 years.

Equity-based compensation expense of \$ 2.57 million and \$ 1.4 million related to stock options equity awards was recognized during the years ended December 31, 2023 and 2022, 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, 2023:

	Restricted Stock Units	Restricted Stock Awards	Total Restricted Awards	Weighted- Average Grant-Date Fair Value
(in thousands, except per share data)				
Units nonvested at January 1, 2023	2,380	208	2,588	\$ 7.61
Units granted in 2023	5,448	459	5,907	3.25
Units cancelled in 2023	294	—	294	1.54
Units vested in 2023	2,548	333	2,881	6.20
Units nonvested at December 31, 2023	<u>4,986</u>	<u>334</u>	<u>5,320</u>	<u>\$ 3.79</u>

Units granted in 2023 included 1,000,000 performance-based RSUs granted to Ms. Mariam Sorond in connection with her appointment as the Company's President and CEO. These RSUs will vest in full upon achievement of certain regulatory milestones, to be approved by the Compensation and Human Capital Committee of the Board. The performance period is 4 years beginning from November 29, 2023.

The grant date fair value of RSAs and RSUs granted during the year ended December 31, 2023 was \$ 19.2 million. The total fair value of RSAs and RSUs vested upon grant and vested during the year ended December 31, 2023 was \$ 17.9 million.

As of December 31, 2023, the total compensation cost related to RSAs and RSUs not yet recognized was \$ 17.9 million and the weighted-average period over which it is expected to be recognized was 2.98 years.

Equity-based compensation expense of \$ 19.3 million related to the RSAs and RSUs was recognized during the year ended December 31, 2023.

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, 2023, 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:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
United States	\$ (71,845)	\$ (40,012)
Foreign	331	(132)
Total	<u>\$ (71,514)</u>	<u>\$ (40,144)</u>

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

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Benefit (Provision) for income taxes:		
Current:		
Federal	\$ —	\$ —
State	(21)	(1)
Foreign	(122)	(90)
Total current	<u>\$ (143)</u>	<u>\$ (91)</u>
Deferred:		
Federal	—	—
State	—	—
Foreign	(78)	119
Total deferred	<u>\$ (78)</u>	<u>\$ 119</u>
Benefit (provision) for income taxes:	<u>\$ (221)</u>	<u>\$ 28</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:

	Year Ended December 31,	
	2023	2022
Income Tax Expense at Federal Statutory Rate	21.00%	21.0%
Permanent items	(1.23)%	12.61%
State taxes, net of federal tax effect	5.49%	4.38%
Change in Valuation Allowance	(45.30)%	(34.93)%
Other permanent differences	3.84%	(4.77)%
Rate change	15.90%	1.78%
Effective income tax rate	(0.30)%	0.07

The change in the Company's effective tax rate in 2023, as compared to the prior year, was primarily due to the change in pre-tax book income earned by Commlabs India and the recording of a valuation allowance against the French deferred tax assets. 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.

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, 2023, the Company has accumulated undistributed earnings generated by Commlabs India of approximately \$ 1.4 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:

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Deferred tax assets, net		
Net operating loss carryforwards	\$ 35,260	\$ 19,316
Stock Compensation	1,235	765
Basis in underlying investments	82,279	70,148
Other Deferred Balances	3,866	116
Gross deferred tax assets	\$ 122,640	\$ 90,345
Valuation allowance	(121,269)	(88,874)
Deferred tax assets, net of valuation allowance	\$ 1,371	\$ 1,471
Deferred tax liabilities		
Intangibles	(1,371)	(1,497)
Total deferred tax liabilities	\$ (1,371)	\$ (1,497)
Total net deferred tax (liability) asset	\$ —	\$ (26)

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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, 2023. 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, 2023, a valuation allowance of \$ 121.3 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 our projections for growth.

As of December 31, 2023 and 2022 the Company did not have any unrecognized income tax benefits.

The Company has U.S. income tax net operating loss ("NOL") carryforwards of \$ 127.2 million and \$ 76.0 million as of December 31, 2023, and 2022, respectively. \$ 5.0 million of the NOLs are expected to expire beginning in 2027 while the remaining \$ 122.2 million can be carried forward indefinitely. The Company also has various state NOL carryforwards of \$ 93.7 million and \$ 55.3 million as of December 31, 2023 and December 31, 2022 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, 2023 of \$ 6.2 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, 2023 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, 2023 and 2022.

16. 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:

Acquires Additional 900 MHz Spectrum Licenses

On March 07, 2024, NextNav Inc. ("NextNav"), and its wholly-owned subsidiary Progeny LMS, LLC (the "Company"), entered into an Asset Purchase Agreement (the "Agreement") with Telesaurus Holdings GB ("Telesaurus") and Skybridge Spectrum Foundation ("Skybridge"), pursuant to which the Company will acquire (1) certain Multilateration Location and Monitoring Service ("M-LMS") licenses (the "Licenses") issued by the Federal Communications Commission (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 Skybridge and Telesaurus and terminated by the FCC in 2017, for an aggregate purchase price of up to \$ 50,000,000 paid in the form of cash and NextNav common stock (the foregoing contemplated sale and rights, collectively, the "Transaction").

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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 Licenses to the Company by final order ("FCC Approval") and will occur upon the assignment of the Licenses following the FCC Approval.

The consideration for the Transaction is payable as follows:

- \$2,499,900 in cash within thirty (30) days of the Alameda Court Approval (payable regardless of whether Closing occurs);
- \$7,500,000 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); and
- \$20,000,100 in shares of NextNav common stock within thirty (30) days of the assignment of the Licenses at Closing following the FCC Approval (the foregoing two stock payments, collectively, the "Stock Consideration").

The Agreement provides for potential additional consideration in the amount of \$ 20,000,000 , payable in shares of NextNav common stock ("Additional Payment"), contingent upon the FCC granting additional flexibility in the use of M-LMS spectrum, including the M-LMS spectrum covered by the Licenses. The Additional Payment (if earned) is required to be paid within thirty (30) days following the release of the FCC order providing such additional flexibility.

The number of shares issued as the Stock Consideration and the Additional Payment (if any) will be determined based on the twenty (20)-day trailing VWAP of the shares of common stock of NextNav calculated as of the date one trading day prior to the respective dates of issuance of such shares and subject to the requirements of the Nasdaq Stock Market Listing Rules. For purposes of the Agreement, "VWAP" is based on Bloomberg's "HP" function set to weighted average for the relevant date range, between 9:30:01 a.m. and 4:00 p.m. for each day in the range.

The Agreement contains customary representations, warranties and covenants made by each of the parties. Such representations, warranties and covenants were made only for purposes of the Agreement and as of specific dates, and may have been made for the purposes of allocating contractual risk between the parties to the Agreement instead of establishing these matters as facts. Investors are not third-party beneficiaries under the Agreement and should not rely on the representations, warranties and covenants or any descriptions therefore as characterizations of the actual state of facts or condition of NextNav, the Company or any of their subsidiaries or affiliates.

In connection with the Agreement and the Transaction, NextNav entered into a Resale Registration Rights Agreement (the "Registration Rights Agreement") pursuant to which NextNav has agreed to file one or more registration statements registering the shares of NextNav common stock issued as the Stock Consideration and the Additional Payment (if any).

The foregoing descriptions of the Agreement and the Registration Rights Agreement do not purport to be complete and are subject to, and each is qualified in its entirety by reference to, the Agreement and the Registration Rights Agreement, respectively, each of which will be filed as an exhibit to NextNav's Quarterly Report on Form 10-Q for the period ending March 31, 2024.

EXECUTIVE AGREEMENT

This Executive Agreement (this "**Agreement**") is made and entered into as of November 29, 2023 (the "**Effective Date**"), by and between NextNav Inc., a Delaware corporation ("**NextNav**"), NextNav, LLC, a Delaware limited liability company and an indirectly, wholly- owned subsidiary of NextNav (the "**Employer**"), and Mariam Sorond, a resident of the Commonwealth of Virginia ("**Executive**").

WHEREAS, unless the context indicates otherwise, references in this Agreement to the "**Company**" shall include NextNav and its subsidiaries and affiliates, including without limitation the Employer; and

WHEREAS, Executive is being hired effective with an anticipated start date on or before November 29, 2023 (the "**Start Date**"), to serve as the President and Chief Executive Officer (the "**Position**") of the Employer, and the Company desires to secure the services of Executive from and after the Start Date on the terms and conditions set forth in this Agreement;

WHEREAS, in addition to the service of the Executive in the Position, the Company may from time to time determine that Executive shall serve as a member of the Board of Directors and/or management of the various companies that are part of the Company;

WHEREAS, the Board of Directors of NextNav have approved the appointment of Executive as a member of the NextNav Board of Directors effective as of the Start Date; and

WHEREAS, this Agreement and the payments set forth herein shall reflect the efforts of Executive in the Position and her other positions for the Company.

NOW, THEREFORE, in consideration of the promises and the terms and conditions set forth in this Agreement, the parties agree as follows:

1. **Position.** During the Term of this Agreement, Executive will serve NextNav, the Employer and other Company subsidiary and affiliates (consistent with applicable international and strategic corporate requirements) as President and Chief Executive Officer (the "**Position**"). Executive will report directly to the Board of Directors of NextNav (the "**Board**").
2. **Duties.** Executive shall serve the Company in such capacities and with such duties and responsibilities as are consistent with the Position, or as may from time to time reasonably be assigned to Executive by the Board. Executive will comply with and be bound by the Company's operating policies, procedures, and practices from time to time as generally in effect for persons with executive positions at the Company during Executive's employment. Executive shall serve as a member of the Board of NextNav (and other positions with other Company subsidiaries and affiliates) without any additional compensation above and beyond Executive's compensation as an employee.
3. **Exclusive Service.** During the Term of this Agreement, Executive shall devote Executive's full business time and efforts, subject to vacation and other permitted absences, exclusively to Executive's employment with the Company and shall apply all of Executive's skill and experience to the performance of Executive's duties and advancing the Company's interests in accordance with Executive's experience and skills; provided, however, that Executive may engage in charitable, civic, fraternal, trade association, or other activities that (i) are not directly or indirectly competitive with the business of the Company, (ii) do not adversely interfere with Executive's obligations to the Company, or (iii) do not constitute an actual or potential conflict of interest with the Company.

4. **Term of Agreement.** Executive shall be employed by the Company commencing on the Start Date and continuing through the fourth (4th) anniversary thereof, unless sooner terminated as described in Section 7 below (the "**Initial Term**"); provided that, on such fourth (4th) anniversary of the Start Date and each annual anniversary thereafter, the Agreement shall automatically renew for successive periods of one year (each, a "**Subsequent Term**"), as may be applicable, provided that neither the Company nor Executive has terminated the Agreement earlier as described in Section 7 and neither the Company nor Executive gives notice ninety (90) days before the upcoming renewal that the Company or Executive, as applicable, desires to end the Agreement. The Initial Term and any Subsequent Term shall be referred to as the "**Term**," and the date Executive's employment ceases with the Company for any reason shall be referred to as the "**Termination Date**."

5. **Compensation, Credits and Benefits.**

5.1 **Base Salary.** During the Term, the Employer shall pay to Executive a salary at the gross rate of five hundred fifty thousand dollars (\$550,000) per annum. Executive's base salary shall be subject to upward adjustment, as determined by the Board or the Compensation Committee of the Board (the "**Committee**"), in their sole discretion. Executive's base salary, as may be in effect from time to time, is referred to herein as "**Base Salary**." The Base Salary shall be payable as earned in accordance with the Employer's regular payroll schedule for salaried employees as in effect from time to time.

5.2 **Discretionary Target Bonus.** For the period beginning on Executive's Start Date and each calendar year thereafter, Executive will be eligible to earn an annual cash incentive bonus in accordance with the program adopted by the Board or the Committee (the "**Annual Bonus**"). Executive's Annual Bonus calendar year 2023 shall be paid at a full-year rate and shall not be pro-rated. Executive's target Annual Bonus shall be equal to sixty percent (60%) of Executive's Base Salary (the "**Target Bonus**"), subject to and based on the achievement of Company and personal performance goals established by the Board or the Committee; provided that, depending on results, Executive's actual Annual Bonus may be higher or lower than the Target Bonus, as determined by the Board or the Committee, in their sole discretion. The Annual Bonus, if and to the extent earned, will be paid in the first quarter of the calendar year following the applicable performance year (and consistent with the timing for other executives), and Executive's active employment during the entire applicable performance year and on the date of the payment of the Annual Bonus are both conditions precedent to Executive's entitlement to earn the Annual Bonus. If Executive does not fulfill these conditions precedent or, in the sole judgment of the Board or the Committee, has not met the Company and personal performance goals, Executive will not have earned an Annual Bonus or any portion thereof for that particular calendar year.

5.3 **Equity Grants.** In connection with Executive's employment hereunder, the Committee has determined to award to Executive the following grants:

- a. A signing bonus in the form of 1.5 million of NextNav restricted stock units ("**RSU**") vesting in installments over a three year term starting as of the Start Date, specifically, 1/3 of the grant will vest at the one-year anniversary of the Start Date, and the remaining 2/3 of the grant shall vest in equal installments of 1/8 per quarter thereafter;
- b. An additional performance-based signing bonus of 1 million RSUs which will vest, in full, upon achievement of additional regulatory flexibility as to be approved by the Compensation and Human Capital Committee of the Board as will be set forth in the performance RSU grant;
- c. An annual long-term incentive grant valued at \$1 million each of NextNav RSUs and NextNav stock options ("**Options**"), each such grant vesting over a four-year period, consistent with grant calculations made for other executives, and each in the form previously approved by the Committee in connection with the 2021 Omnibus Incentive Plan (the "**Plan**"), a form of each of which has been provided to Executive. Specifically, for each of these two grants, 1/4 shall vest on the one- year anniversary of the Start Date and the remaining 3/4 of the grant shall vest in equal installments of 1/12 per quarter thereafter. Executive's Option exercise price shall be priced at 110% of fair market value as of the grant date and otherwise in accordance with the terms of the Plan.

5.4 **Benefits; Paid Time Off.** During the Term of this Agreement, Executive will be eligible to participate in the Company's employee benefit plans applicable to similarly situated employees of the Company, as in effect from time to time, in accordance with the rules established for individual participation (or, as applicable, participation by spouse, domestic partner and/or family) in any such plan and applicable law. Executive will be eligible for vacation and paid sick leave in accordance with applicable law and the Company's policies in effect from time to time. Executive will also be eligible for paid holidays as the Company generally provides to its employees holding similar positions to that of Executive. However, nothing in this Agreement shall, in any way, require the Company to establish any such benefits or continue to maintain any such benefits programs or plans, or limit the Company from making any blanket amendments, changes, or modifications to the eligibility requirements or any other provisions of any employee benefit plan or benefit, and Executive's participation in or entitlement under such plans and benefits shall at all times be subject in all respects thereto.

5.5 **Expense Reimbursements.** Upon presentation of verifiable invoices and/or other documentation as may be requested by the Employer, and subject to the Company's expense reimbursement policies, the Employer shall reimburse Executive for the reasonable and necessary costs and expenses that Executive incurs in connection with the performance of Executive's duties and employment obligations, and for activities and events related to the business of the Company.

5.6 **D&O Insurance; Indemnification.** Executive shall be provided an indemnification agreement in the form approved by the Board, and provided to other Executives and Board members. Executive shall be covered under any D&O insurance policy as may be in effect from time to time.

6. **Proprietary Rights.** Simultaneously with execution of this Agreement, Executive shall execute a Confidentiality, Invention Assignment, and Non-Solicitation Agreement (the "**Confidentiality Agreement**") with the Company in the form attached hereto as **Exhibit A**. The Confidentiality Agreement shall survive termination of Executive's employment, regardless of the reason for such termination.

7. **Termination.**

7.1 **"Cause" Defined.** For purposes of this Agreement, "**Cause**" shall mean: (a) Executive's refusal to perform, or ongoing negligence in performing, Executive's duties or responsibilities (other than a failure resulting from Executive's death or Disability, as defined below) upon reasonable direction of the Board; (b) Executive's engaging in any act of fraud or misrepresentation involving the Company or its assets; (c) Executive's engaging in sexual misconduct or harassment or similar behavior in Executive's personal or professional capacity; (d) Executive's knowing violation of any federal or state law or regulation applicable to the Company's business; (e) Executive's material breach of any term of the Confidentiality Agreement or this Agreement; (f) Executive's being convicted of, or entering a plea of *nolo contendere* to, any felony or any misdemeanor involving material acts of moral turpitude, embezzlement, theft, or other similar act; (g) Executive's material breach or violation of any other Company policy or formal procedure; (h) Executive's engaging in gross misconduct or gross negligence; or (i) where the Company reasonably believes that Executive engaged in conduct which would cause the Company to suffer material disrepute or reputational harm or otherwise be materially injurious to the Company; provided, however, that, Executive shall be provided with up to twenty (20) days to cure or explain the events alleged to constitute Cause (during which twenty (20) day period Executive's active employment may be suspended).

7.2 **"Disability" Defined.** For purposes of this Agreement, "**Disability**" shall mean Executive is unable to perform the essential functions of Executive's position, with or without reasonable accommodation, due to a medically-determined mental or physical impairment that continues for at least ninety (90) consecutive days or one hundred twenty (120) days in any consecutive three hundred sixty five (365) day period. Executive further agrees that providing a leave of absence beyond the Disability period as a form of disability accommodation under state or federal law would not be a reasonable accommodation and would cause undue hardship for the Company in light of Executive's Position.

7.3 **"Good Reason" Defined.** For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following without Executive's consent: (a) a material reduction in Executive's total compensation (including, but not limited to, the Target Bonus opportunity), provided that such reduction is not part of a Company-wide reduction applicable to the executive team or Company-wide; (b) a material and adverse reduction in Executive's authority, duty, or responsibilities; or (c) a material change in geographic location at which Executive must perform services, which for this purpose shall mean a relocation of Executive's principal office of employment to more than thirty-five (35) miles from Executive's current location; or (d) a material breach of this Agreement by the Company or its successor. An event shall only qualify as a "Good Reason" if: (i) Executive provides the Company written notice of the claimed event of Good Reason within ninety (90) days of the date that such event first occurs (such notice shall describe in detail the basis and underlying facts supporting Executive's belief that a Good Reason event has occurred); and (ii) the Company does not cure such claimed event of Good Reason within thirty (30) days of receipt of written notice from Executive. If Executive does not terminate employment for Good Reason within one hundred twenty (120) days after the first occurrence of the applicable Good Reason event, then Executive will be deemed to have waived the right to terminate for Good Reason with respect to such Good Reason event.

7.4 **"Change in Control" Defined.** For purposes of this Agreement, "**Change in Control**" shall have the meaning ascribed thereto in the Company's 2021 Omnibus Incentive Plan (as it has been or may be amended and/or restated from time to time and any successor plan thereto).

8. **Effect of Termination.**

8.1 **Termination by the Company for Cause During the Term, Resignation By Executive Without Good Reason During the Term, or the Expiration of Term By Notice of Non-Renewal By Executive.** In the event of: (a) a termination by the Company for Cause during the Term; (b) resignation by Executive without Good Reason during the Term; or (c) wherein Executive provides notice to the Company prior to the expiration of the Initial Term or any Subsequent Term of Executive's intention not to renew the Agreement, the Company shall pay Executive or Executive's heirs (in the event of death or incapacity) the compensation and benefits otherwise payable to Executive under Section 5 hereof earned through the Termination Date and any expense reimbursements due and owing to Executive which were incurred prior to the Termination Date ("**Accrued Compensation**"). Executive's rights under the Company's benefit plans shall be determined under the provisions of those plans. Executive shall not receive any other payments or severance of any kind.

8.2 **Termination due to Death or Disability.** In the event of Executive's termination as a result of Executive's death or Disability, the Company shall pay Executive or Executive's heirs (in the event of death or incapacity) the Accrued Compensation as well as the pro-rated bonus for the year of Executive's death or Disability, payable when bonuses are paid to other employees.

8.3 **Termination by Company without Cause, Executive's Resignation for Good Reason, or due to Expiration of Term By Notice of Non-Renewal By the Company.** If Executive's employment is terminated by the Company without Cause (other than on account of Executive's death or Disability), due to Executive's resignation for Good Reason, or on account of non-renewal by the Company in accordance with Section 4, then the Company shall provide Executive with the following benefits:

(a) The Company shall pay Executive the Accrued Compensation;

(b) Conditioned upon and in exchange for Executive signing, not revoking and allowing to become effective a General Release of all claims in a form to be provided by the Company (the "**General Release**"), and such General Release becoming effective within sixty (60) days following the Termination Date (such sixty (60)-day period, the "**General Release Execution Period**");

(i) Pay to Executive a lump sum payment, less applicable required withholdings and deductions, equal to one hundred percent (100%) of Executive's Base Salary (ignoring any decrease in Base Salary that formed the basis for Good Reason), which shall be payable on the next regular payroll date of the Company following the sixtieth (60th) day following the Termination Date; provided that, in no event shall such payment occur later than March 15th of the calendar year following the calendar year in which the Termination Date occurs;

(ii) Pay to Executive any earned but unpaid Annual Bonus with respect to any completed calendar year immediately preceding the Termination Date or, in the event that less than a full calendar year was completed, a pro-rated Annual Bonus (such earned amount determined without regard to the requirement of Executive being employed on the date of payment), which shall be paid on the otherwise applicable payment date for such Annual Bonus;

(iii) If Executive timely elects and is eligible for continued coverage under COBRA for herself and her covered dependents under the Company's group health plans following such termination employment, then the Company will pay the COBRA premiums necessary to continue Executive's health insurance coverage in effect for herself and her eligible dependents on the Termination Date, as and when due to the insurance carrier or COBRA administrator (as applicable), through the earlier to occur of the expiration of the twelve (12)-month period following his Termination Date, the date Executive becomes eligible for coverage under another employer's group health plan, or the cessation of Executive's eligibility for the continuation coverage under COBRA. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code (the "**Code**") or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect instead to pay Executive on the first day of each month of the applicable period, a fully taxable cash payment equal to such portion of the COBRA premiums for that month, subject to applicable tax withholdings. If Executive becomes eligible for coverage under another employer's group health plan or otherwise ceases to be eligible for COBRA during the period provided in this clause, Executive must immediately notify the Company of such event, and all payments and obligations under this clause will cease;

(iv) All of Executive's then outstanding, unvested equity-based awards subject solely to time-based vesting, that would have become vested (but for such termination) during the twelve (12)-month period beginning on the Termination Date, shall vest as of the date immediately prior to the Termination Date; and

(v) Subject to the next succeeding sentence, all of Executive's outstanding unvested equity based compensation awards subject to performance-based vesting granted to Executive during the Term shall be subject to the terms of the applicable award agreement. Notwithstanding the foregoing, if the Executive's employment is terminated without Cause by the Company during the first two years following the Effective Date, then all of the Executive's outstanding unvested equity based awards subject to performance-based vesting granted during the Term to the Executive shall vest as of the date immediately prior to the Termination Date.

8.4 **Change in Control.** Notwithstanding any other provision contained herein and without duplication of Section 8.3, if Executive's employment is terminated by the Company without Cause (other than on account of Executive's death or Disability), due to Executive's resignation for Good Reason, or on account of non-renewal by the Company in accordance with Section 4, in each case within the period beginning on the date the Company enters into a definitive agreement that if consummated would result in a Change in Control and ending on the twelve (12)-month anniversary of such Change in Control, then the Company shall provide Executive with the following benefits:

(a) The Company shall pay Executive the Accrued Compensation;

(b) Conditioned upon and in exchange for Executive signing, not revoking and allowing to become effective the General Release within the General Release Execution Period:

(i) Pay to Executive a lump sum payment, less applicable required withholdings and deductions, equal to one hundred fifty (150%) of the sum of (A) Executive's Base Salary and (B) Executive's Target Bonus for the year in which the Termination Date occurs (ignoring any decrease in Base Salary or Target Bonus that formed the basis for Good Reason), which shall be payable on the next regular payroll date of the Company following the sixtieth (60th) day following the Termination Date; provided that, in no event shall such payment occur later than March 15th of the calendar year following the calendar year in which the Termination Date occurs;

(ii) Pay to Executive any earned but unpaid Annual Bonus with respect to any completed calendar year immediately preceding the Termination Date (such earned amount determined without regard to the requirement of Executive being employed on the date of payment), which shall be paid on the otherwise applicable payment date for such Annual Bonus;

(iii) If Executive timely elects and is eligible for continued coverage under COBRA for herself and her covered dependents under the Company's group health plans following such termination employment, then the Company will pay the COBRA premiums necessary to continue Executive's health insurance coverage in effect for herself and her eligible dependents on the Termination Date, as and when due to the insurance carrier or COBRA administrator (as applicable), through the earlier to occur of the expiration of the twelve (12)-month period following her Termination Date, the date Executive becomes eligible for coverage under another employer's group health plan, or the cessation of Executive's eligibility for the continuation coverage under COBRA. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect instead to pay Executive on the first day of each month of the applicable period, a fully taxable cash payment equal to such portion of the COBRA premiums for that month, subject to applicable tax withholdings. If Executive becomes eligible for coverage under another employer's group health plan or otherwise ceases to be eligible for COBRA during the period provided in this clause, Executive must immediately notify the Company of such event, and all payments and obligations under this clause will cease;

(iv) All other outstanding, unvested equity-based compensation awards subject solely to time-based vesting granted to Executive during the Term shall become fully vested as of the date immediately prior to the Termination Date; and

(v) Subject to the next succeeding sentence, all outstanding, unvested equity-based compensation awards subject to performance-based vesting granted to Executive during the Term shall be subject to the terms of the applicable award agreement. Notwithstanding the foregoing, if the Executive's employment is terminated without Cause by the Company during the first two years following the Effective Date, then all of the Executive's outstanding unvested equity based awards subject to performance-based vesting granted during the Term to the Executive shall vest as of the date immediately prior to the Termination Date.

8.5 **Severance Limitations.** Executive shall not receive any other payments or severance of any kind, except as expressly set forth in this Agreement.

8.6 **Resignation as Officer or Director.** Upon termination of employment for any reason, Executive shall resign immediately from each position that she then holds as an officer or director of the Company or any affiliate, or related entity thereof.

9. **Miscellaneous.**

9.1 **Arbitration.** The Company and Executive agree that all claims, complaints, controversies, grievances, or disputes that arise out of or relate in any way to the parties' relationship, whether based on contract, tort, statutory, or any other legal theory, shall be submitted to mandatory, binding arbitration before a single, neutral arbitrator who is licensed to practice law in the state in which the arbitration is convened (the "**Arbitrator**"). The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1 *et seq.*, as amended, and shall be administered by the American Arbitration Association ("**AAA**") in accordance with its then- current Employment Arbitration Rules and Mediation Procedures. The Rules are available online at www.adr.org. If the AAA Employment Arbitration Rules and Mediation Procedures are inconsistent with the terms of this Agreement, the terms of this Agreement shall govern. The Arbitration shall be convened in the county in which Executive was employed most recently by the Company, and specifically will take place in Northern Virginia. The Arbitrator will have the authority to award legal fees and costs of the arbitration to the prevailing party.

(a) **Waiver of Trial by Jury.** The parties understand and fully agree that by agreeing to arbitrate, they are giving up their constitutional right to a trial by jury, as well as their rights of appeal following the rendering of a decision, except as the Federal Arbitration Act and applicable federal law provide for judicial review of arbitration proceedings.

(b) **Covered Claims.** This Section 9.1 covers all claims under federal, state or local law arising out of or relating to Executive's application for employment with the Company, any offer of employment made by the Company, Executive's employment by the Company, the breach of this or any other employment agreement, the termination of Executive's employment with the Company, or any other aspect of Executive's relationship with the Company, including claims that do not relate to Executive's employment with the Company, claims that Executive may have against the Company or the Company's subsidiaries, parents, affiliates, successors, or predecessors and their respective officers, directors, supervisors, managers, employees, or agents in their capacity as such or otherwise, and claims that the Company may have against Executive. The claims covered by this Section 9.1 (the "**Covered Claims**") include, but are not limited to, claims for breach of any contract or covenant (express or implied), tort claims, claims for wrongful termination (constructive or actual) in violation of public policy, claims for discrimination or harassment (including, but not limited to, harassment or discrimination based on race, sex, gender, religion, national origin, age, marital status, medical condition, psychological condition, mental condition, disability, sexual orientation, or any other characteristic protected by law), claims for violation of any federal, state, or other governmental law, statute, regulation, or ordinance, including, but not limited to, all claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans With Disabilities Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, and Employee Retirement Income Security Act. The parties specifically agree that the Covered Claims include claims under the Fair Labor Standards Act and other federal, state, or local laws governing wages, hours and working conditions, including, but not limited to, claims for overtime, unpaid wages, paid or unpaid leave, and meal period and rest break violations.

(c) **Claims Not Covered.** Claims for workers' compensation benefits, unemployment compensation benefits, or any other claims that, as a matter of law, the parties hereto cannot agree to arbitrate are not subject to, and are excluded from, this Section 9.1. Nothing in this Section 9.1 shall be interpreted to prohibit or preclude the filing of complaints with the Equal Employment Opportunity Commission, or the National Labor Relations Board, or a similar state or local agency.

(d) **Waiver of Class, Representative, and Collective Action Claims.** Except as otherwise required by law, Executive and the Company expressly intend and agree that: (i) class action and collective action procedures shall neither be asserted nor apply in any arbitration conducted pursuant to this Agreement; (ii) each party will not assert class or collective action claims against the other in arbitration or otherwise; and (iii) Executive and the Company shall only submit their own, individual claims in arbitration and will not seek to represent the interests of any other person.

(e) **Substantive Law.** All Covered Claims shall be submitted to arbitration within the applicable statute of limitations period for the assertion of such claims in a court proceeding under Virginia law, and shall otherwise be deemed to be barred and waived if not submitted to arbitration within the applicable statute of limitations. The Arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the state in which the claim arose, or federal law, or both, as applicable to the claim(s) asserted. The Federal Rules of Evidence shall apply. The Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this arbitration agreement. The Arbitrator shall conduct and preside over an arbitration hearing of reasonable length, to be determined by the Arbitrator. The Arbitrator shall provide the Parties with a written decision explaining his or her findings and conclusions. The Arbitrator's decision shall be final and binding upon the parties.

(f) **Other Provisions.** Either party may bring an action in court to confirm, vacate or enforce an arbitration award entered pursuant to this Section 9.1. This Section 9.1 shall not limit the Company's ability to seek injunctive relief in accordance with Section 9.3. Each party shall bear its own attorneys' fees and costs and other expenses of such action. The Company shall be responsible for all costs unique to the arbitration process to the extent required by applicable law. Otherwise, each party shall be responsible for paying its own costs for the arbitration, including but not limited to attorneys' fees. However, if any party prevails on a statutory claim which affords the prevailing party attorneys' fees and costs, or if there is a written agreement providing for attorneys' fees and costs, the Arbitrator (or if applicable, the court) may award reasonable attorneys' fees and costs to the prevailing party. Any dispute as to the reasonableness of any fee or cost shall be resolved by the Arbitrator. This Section 9.1 shall survive the termination of Executive's employment. It may only be revoked or modified in a writing that specifically states the intent to revoke or modify the arbitration provisions of the Agreement and that is signed by both Executive and the Company.

9.2 **Severability.** In the event that any provision of this Agreement shall be unenforceable or inoperative as a matter of law, the remaining portions or provisions shall remain in full force and effect.

9.3 **Remedies.**

(a) **Injunctive Relief.** Executive acknowledges and agrees that Executive is providing special, unique, unusual, extraordinary, and intellectual services, which gives this Agreement a peculiar value to the Company, including substantial goodwill associated with the services Executive is providing under this Agreement ("**Unique Services**"), and that the loss of the Unique Services, whether to a competitor or otherwise, cannot be reasonably or adequately compensated for by damages in an action at law. Executive further acknowledges and agrees that a breach or threatened breach by Executive of this Agreement may cause irreparable injury to the Company. Notwithstanding Section 9.1, Executive therefore agrees that, in addition to any other right or remedy the Company may have, the Company shall be entitled to seek specific performance and/or to seek a temporary restraining order and to seek a preliminary and permanent injunction enjoining or restraining the breach or threatened breach of this Agreement, without the necessity of proving the inadequacy of monetary damages or the posting of any bond or security.

(b) **Other Relief.** The availability of specific performance or injunctive relief for the material breach or threatened material breach by Executive of this Agreement shall in no way limit or otherwise affect the availability of other remedies to the Company, including monetary damages, for injuries sustained that specific performance or an injunction will not remedy.

9.4 **No Waiver.** All waivers hereunder shall be in writing. No waiver by any party of any breach or anticipated breach of any provision of this Agreement by the other party shall be deemed a waiver of any other contemporaneous, preceding, or succeeding breach or anticipated breach, whether or not similar.

9.5 **Assignment.** The Company may, in its discretion, assign its rights and/or delegate its obligations under this Agreement to any successor of the Company, whether by operation of law, agreement or otherwise (including, without limitation, to any person who acquires all or a substantial portion of the business of the Company or any of its subsidiaries, whether direct or indirect and whether structured as a stock sale, asset sale, merger, recapitalization, consolidation or other transaction), and in connection with any such assignment or delegation of its obligations hereunder, shall be released from such obligations hereunder. This Agreement may not be assigned by Executive. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Company, and their respective successors and assigns.

9.6 **Entire Agreement.** This Agreement (together with the Exhibits attached hereto) and the other agreements referenced herein constitute the entire agreement between the parties pertaining to the subject matter contained herein and supersedes all prior agreements, representations, and understandings of the parties pertaining to such subject matter. The Exhibits attached hereto are incorporated herein by reference and made a part hereof.

9.7 **Amendment.** This Agreement may not be amended, supplemented, canceled, or discharged except by written instrument executed by the parties.

9.8 **Notices.** Unless otherwise specified in this Agreement, all notices, demands, elections, requests or other communications that any party to this Agreement may desire or be required to give hereunder shall be in writing and shall be given by hand, by facsimile, by e-mail, by registered or certified mail, return receipt requested, bearing proper postage, or by a recognized overnight courier service providing confirmation of delivery, addressed as follows:

If to the Company: NextNav Inc.
1775 Tysons Blvd. 5th floor
Tysons, VA 22102
Attention: Chairman of the Compensation Committee of the Board

In each case, with a copy (which shall not constitute notice) to:

Hogan Lovells US LLP
8350 Broad Street, 17th Floor
Tysons, VA 22102
Attention: Randy Segal

If to Executive, at the address on file with the Company.

Each party shall have the right to designate another address or change an address by written notice to the other parties in the manner prescribed herein. All notices given pursuant to this Section 9.8 shall be deemed to have been given: (a) if delivered by hand on the date of delivery or on the date delivery was refused by the addressee; (b) if by registered or certified mail, three (3) business days after deposit in the United States mail in the manner set forth above; (c) if delivered by overnight courier, on the date of delivery as established by the return receipt or courier service confirmation (or the date on which the courier service confirms that acceptance of delivery was refused by the addressee); or (d) if delivered by facsimile or email, on the date of such facsimile or e-mail transmission as set forth in a facsimile log or the body of such e-mail transmission, as applicable.

9.9 **Interpretation.** The section headings used in this Agreement are inserted for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. This Agreement and the provisions contained herein shall not be construed or interpreted for or against any party hereto because that party drafted or caused that party's legal representative to draft any of its provisions. References in this Agreement to amounts of money expressed in dollars are references to United States dollars. As used herein, "person" means an individual or entity.

9.10 **Counterparts.** This Agreement may be executed in counterparts and by facsimile or e-mail with scan attachment, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

9.11 **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to its conflict of laws provisions.

9.12 **Advice of Counsel.** Executive acknowledges that Executive has been advised to seek independent legal counsel for advice regarding the effect of the terms and provisions hereof, and has obtained or waived the right to obtain such advice of independent legal counsel.

9.13 **Conditions to Employment.** Executive shall provide the Company with such proof of Executive's United States citizenship or authorization to work in the United States as required by law. Executive represents that Executive is under no contractual or other restriction inconsistent with the intention and provisions of this Agreement, the performance of Executive's duties hereunder, or the rights of the Company under this Agreement.

9.14 **Application of Section 280G.** If any of the payments or benefits received or to be received by Executive (including, without limitation, any payment or benefits received in connection with a Change in Control or Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "**280G Payment**") constitute "parachute payments" within the meaning of Section 280G of the Code, and the regulations promulgated thereunder and will be subject to the excise tax imposed under Code Section 4999 (the "**Excise Tax**"), then the 280G Payment shall be equal to the Reduced Amount. The "**Reduced Amount**" shall be either (a) the largest portion of the 280G Payment that would result in no portion of the 280G Payment being subject to the Excise Tax, or (b) the largest portion of the 280G Payment, up to and including the total 280G Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the 280G Payment, notwithstanding that all or some portion of the 280G Payment may be subject to the Excise Tax. In making the determination described above, the Company, in its sole and absolute discretion, shall make a reasonable determination of the value to be assigned to any restrictive covenants in effect for Executive, and the amount of the 280G Payment shall be reduced by the value of those restrictive covenants to the extent consistent with Code Section 280G. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the 280G Payment equals the Reduced Amount, the amounts payable or benefits to be provided to Executive shall be reduced such that the economic loss to Executive as a result of the "parachute payment" elimination is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Code Section 409A and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All determinations to be made under this Section shall be made by an independent accounting firm, consulting firm or other independent service provider selected by the Company immediately prior to the Change in Control (the "**Firm**"), which shall provide its determinations and any supporting calculations both to the Company and Executive within ten (10) days of the Change in Control. Any such determination by the Firm shall be binding upon the Company and Executive. All of the fees and expenses of the Firm in performing the determinations referred to in this Section shall be borne solely by the Company.

9.15 **Compliance with Section 409A.**

(a) It is intended that compensation paid and benefits delivered to Executive pursuant to this Agreement shall be either paid in compliance with, or exempt from, Code Section 409A ("**Section 409A**") so as not to subject Executive to payment of interest or any tax under Section 409A, and this Agreement shall be construed, interpreted and administered accordingly. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Executive's right to receive any installment payment pursuant to this Agreement (if any) shall be treated as a right to receive a series of separate and distinct payments for purposes of Section 409A. Any payment to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, in the event this Agreement or any compensation paid or benefits delivered to Executive hereunder is deemed to be subject to Section 409A, the Company shall adopt such conforming amendments as the Company deems necessary, in its reasonable discretion, to comply with Section 409A and avoid the imposition of taxes under Section 409A. In no event shall the Company, the Board, the Committee, any employee of the Company, or any adviser of any of the foregoing be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

(b) Notwithstanding any provision in the Agreement to the contrary, if any payment or benefit provided to Executive in connection with Executive's termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and Executive is determined to be a "specified employee" (as defined in Section 409A), then such payment or benefit shall not be paid until the first payroll date following the six (6)-month anniversary of the Termination Date or, if earlier, the first payroll date following Executive's death (the "**Specified Employee Payment Date**"). The aggregate of any payments that would otherwise be paid before the Specified Employee Payment Date shall be paid, without interest, in a lump sum on the Specified Employee Payment Date, and thereafter any remaining payments, if any, shall be paid without delay in accordance with their original schedule.

(c) Notwithstanding any provision in this Agreement to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to the Company's applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

IN WITNESS WHEREOF, the Company, the Employer and Executive have executed this Agreement as of the date first above written.

NextNav Inc.

Date: October 31, 2023

By: /s/ Gary M. Parsons
Name: Gary M. Parsons
Title: Chairman of the Board

NextNav, LLC

Date: October 31, 2023

By: /s/ Gary M. Parsons
Name: Gary M. Parsons
Title: Chairman of the Board

Date: October 31, 2023

/s/ Mariam Sorond
Mariam Sorond

[Signature Page to the Executive Agreement]

EXHIBIT A

CONFIDENTIALITY, INVENTION ASSIGNMENT, AND NON-SOLICITATION AGREEMENT

This Confidentiality, Invention Assignment, and Non-Solicitation Agreement (this "**Confidentiality Agreement**") is entered into as of November 29, 2023 by and between Mariam Sorond ("**Executive**"), NextNav Inc. ("**NextNav**") and NextNav, LLC (the "**Employer**") as a condition of and in connection with the parties' Executive Agreement, dated as of November 29, 2023 (the "**Executive Agreement**"). Unless the context indicates otherwise, references in this Confidentiality Agreement to the "**Company**" shall include NextNav and its subsidiaries and affiliates, including without limitation the Employer.

1. Inventions.

1.1 **Ownership.** If at any time during Executive's employment, whether or not during regular working hours, Executive, either alone or with others, makes conceives, creates, discovers, invents, develops, improves, adds to, or reduces to practice any invention, modification, discovery, drawing, design, concept, idea, specification, development, audiovisual work, literary work, musical work, dramatic work, pictorial, graphic or sculptural work, development and/or "green-lit" projects, sound recordings, pantomimes, choreographic work, improvement, process, software program, work of authorship, documentation, formula, data, technique, know-how, trade secret, trade name, domain name, logos and get-up, computer data, databases, applications for registration, renewals and extensions in relation to any of the above, or any similar intellectual property whatsoever or any interest therein (whether or not patentable or registrable under copyright, trademark or similar statutes), and all intangible rights and privileges of a nature similar, analogous or allied to any of the above in any part of the world (herein called "**Developments**") that: (a) relate to the present or planned business of the Company or its affiliates or any of the products or services being developed, manufactured or sold by the Company or its affiliates, or which may be used in relation therewith; (b) result from responsibilities assigned to Executive by the Company or from services rendered by Executive under the Executive Agreement; or (c) result from the use of premises or property (whether tangible or intangible) owned, leased or contracted for by the Company, such Developments and the benefits thereof are and shall immediately become the sole and absolute property of the Company and its assigns, as works made for hire or otherwise, and Executive shall promptly disclose in writing to the Company (or any persons designated by it) each such Development, as may be necessary to ensure the Company's ownership of such Development.

1.2 **Assignment and Waiver of Moral Rights.** To the extent, if any, that such rights may not be automatically vested in and owned by the Company as work made for hire in any part of the universe, Executive hereby assigns any and all rights (including, but not limited to, any copyrights and trademarks) Executive may have or acquire in the Developments and benefits and/or rights resulting therefrom to the Company and its assigns without further compensation and shall communicate, without cost or delay, and without disclosing to others the same, all available information relating thereto (with all necessary plans and models) to the Company. Notwithstanding the above, to the extent that the Developments do not belong to the Company, then to the fullest extent permitted by the law, Executive shall assign to the Company, by way of present assignment of future rights in respect of rights not yet created, the Developments and hold in trust for the benefit of the Company the ownership of the Developments until they belong entirely to the Company. In addition to the foregoing assignment of Developments to the Company, Executive hereby irrevocably transfers and assigns to the Company (or, to the extent if any not transferrable or assignable, waives in favor of Company, its successors, licensees and assigns): (a) all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights in any Developments, and (b) any and all "Moral Rights" (as defined below) that Executive may have in or with respect to any Developments. Executive also hereby forever waives and agrees never to assert any and all Moral Rights Executive may have in or with respect to the Developments, even after termination of Executive's employment with the Company. For the purposes of this Confidentiality Agreement, "**Moral Rights**" mean any rights to claim authorship of the Developments, to object to or prevent the modification of any Developments, or to withdraw from circulation or control the publication or distribution of any Developments, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right."

1.3 **Records.** Executive will keep and maintain adequate and current written records of all Developments (in the form of notes, sketches, drawings and as may be specified by the Company), which records will be available to and remain the sole property of the Company at all times.

1.4 **Further Assistance.** Executive will, during Executive's employment and at any time thereafter, at the request and cost of the Company, promptly sign, execute, make and do all such deeds, documents, acts and things as the Company and its duly authorized agents may reasonably require for giving full effect to this Section 1 and securing to the Company or its assignee the full benefits of the rights, power, privileges and remedies conferred on the Company by this Section 1 to the fullest extent permitted by the law, including but not limited to: (a) to apply for, obtain, register and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, copyrights, trademarks or other analogous protection in any country throughout the world and, when so obtained or vested, to renew and restore the same; and (b) to defend any judicial, opposition or other proceedings in respect of such applications and any judicial, opposition or other proceedings or petitions or applications for revocation of such letters patent, copyright, trademark or other analogous protection. In the event the Company is unable, after reasonable effort, to secure Executive's signature on any application for letters patent, copyright or trademark registration or other documents regarding any legal protection relating to the Developments, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf and stead to execute and file any such application or applications or other documents and to do all other lawfully permitted acts to give full effect to this Section 1, including furthering the prosecution and issuance of letters patent, copyright or trademark registrations or any other legal protection thereon with the same legal force and effect as if executed by Executive. The Company shall provide Executive with copies of any documents it signs on Executive's behalf as Executive's attorney-in-fact pursuant to the immediately preceding sentence. In addition, Executive will not do anything, whether by omission or commission, during or after Executive's employment, to affect or imperil the validity of Developments owned or used by the Company and its related entities.

1.5 **Exceptions.** In order to avoid disputes over the application of this assignment to prior inventions or copyrightable materials, Executive has listed on Schedule A to this Confidentiality Agreement descriptions of patentable inventions and copyrightable materials, that Executive has developed and reduced to practice prior to the date Executive began employment with the Company and that are, accordingly, excepted from the provisions of this Section 1. Notwithstanding the foregoing, Executive shall not include or incorporate any elements from any patentable inventions or copyrightable materials listed on Schedule A into any Developments and, to the extent that Executive does, Executive agrees the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such inventions or elements of such inventions, without restriction, including, without limitation, as part of or in connection with such invention, and to practice any method related thereto.

2. **Non-Competition.** Executive acknowledges that during Executive's employment with the Company, Executive has a fiduciary duty and duty of loyalty to the Company. Executive further acknowledges that the Company has a legitimate business interest in protecting its Confidential Information, as described below, and its goodwill, and Executive acknowledges the good and valuable consideration offered to Executive during her employment and in the Executive Agreement. Executive therefore agrees that, during Executive's employment and for a period of one (1) year following Executive's Termination Date, Executive will not engage in any employment, business, or activity that is in any way competitive with the business or proposed business of the Company, and Executive will not assist any other person or organization in competing with the Company or in preparing to engage in competition with the business or proposed business of the Company. The provisions of this paragraph shall apply both during normal working hours and at all other times including, but not limited to, nights, weekends and vacation time, while Executive is employed by the Company. Nothing in this provision shall prohibit Executive from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that Executive is not a controlling person of, or a member of a group that controls, such corporation.

3. **Non-Solicitation.**

3.1 **Non-Solicitation of Business Partners.** During Executive's employment, and for a period of one (1) year following Executive's Termination Date, Executive will not solicit, either on Executive's own behalf or on behalf of any other person or entity, any person or entity with which the Company or its affiliates has a material business or contractual relationship, including but not limited to customers, vendors, or business partners of the Company [for the purpose of competing with the Company]. Executive further understands and acknowledges that pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. § 1836 *et seq.*) and Virginia Uniform Trade Secrets Act (Va. Code Ann. section 59.1-336 *et seq.*) and the terms of this Confidentiality Agreement, Executive may not use or disclose (or threaten to use or disclose) any Company trade secrets or Confidential Information (as defined in Section 4.1 below) without the Company's consent. This obligation to maintain the confidentiality of the Company's trade secrets and Confidential Information has no time limit and continues in perpetuity, so long as Company trade secrets and Confidential Information remain confidential and/or trade secrets. Executive acknowledges that the Company's trade secrets and Confidential Information may include, but are not limited to: financials and financial information, projections, business plans and budgets, customer and personnel lists, and the material economic and non-economic terms of the Company's business relationships. Executive therefore agrees that both during Executive's employment with the Company and thereafter in perpetuity, Executive will not use or disclose the Company's trade secrets or Confidential Information for any reason, including but not limited to soliciting, either on Executive's own behalf or on behalf of any other person or entity, any person or entity with which the Company or its affiliates has a material business or contractual relationship, including but not limited to customers, vendors, or business partners of the Company.

3.2 **Non-Solicitation of Employees.** Executive agrees that during Executive's employment and for a period of one (1) year following the termination of Executive's employment for any reason, Executive will not, either on Executive's own behalf or on behalf of any other entity or person, induce, solicit, recruit or encourage any employee to leave the employ of the Company or cease providing services to the Company [for the purpose of competing with the Company], which means that Executive will not: (i) disclose to any third party for purposes of employment the names, compensation, contacts, backgrounds or qualifications of any employees or otherwise identify them as potential candidates for employment or to provide services; or (ii) personally or through any other person (excluding advertisements or generalized recruiting not targeted at Company employees) approach, recruit, interview or otherwise solicit employees of the Company to work for Executive or any other person or employer or to terminate their employment with the Company or violate any agreement with or duty to the Company.

4. **Confidentiality.**

4.1 **Confidential Information.** Executive understands and agrees that in the course of Executive's employment with the Company, Executive will acquire confidential information concerning the Company's operations, clients, executive officers and other employees and independent contractors, future plans and methods of doing business, know-how, discoveries, inventions, marketing information, business strategies and trade secrets ("**Confidential Information**"), which information Executive understands and agrees would be damaging to the Company if disclosed to a competitor or made available to any other person or corporation engaged in a similar business. Executive agrees that all such Confidential Information is the sole property of the Company. Executive understands and agrees that any such Confidential Information will be divulged to Executive in confidence and Executive understands and agrees that at all times, during Executive's work for the Company and after Executive's work for the Company ends, Executive will keep such Confidential Information secret and confidential and will not disclose it, except in connection with Executive's work for the Company, for the benefit of the Company while Executive is employed by the Company. Executive understands that nothing in this Confidentiality Agreement prevents Executive from engaging in Protected Activity, as described below.

4.2 **Third Party Confidential Information.** Executive understands and agrees that in the course of Executive's employment with the Company, Executive will receive and have access to the confidential information of certain third parties related to the Company, including but not limited to customers and partners. Executive understands and agrees that both Executive and the Company have duties to protect and maintain the confidentiality of this third party material. Executive understands and agrees that any such third party information will be divulged to Executive in confidence and understands and agrees that at all times, during Executive's work for the Company and after Executive's work for the Company ends, Executive will keep such third party information secret and confidential and will not disclose it, except in connection with Executive's work for the Company.

4.3 **Exceptions.** Executive's undertakings and obligations under this Section 4 will not apply, however, to any Confidential Information which: (a) is or becomes generally known to the public through no action on Executive's part; (b) is generally disclosed to third parties by the Company without restriction on such third parties; (c) is approved for release by written authorization of the Company; (d) is required to be disclosed by law, regulation, order, decree or legal process, provided that Executive gives prompt written notice to the Company prior to such disclosure so that the Company may seek a restraining order or pursue other recourse. Additionally, Executive acknowledges that pursuant to the Defend Trade Secrets Act (18 U.S.C. § 1833(b)), an individual may not be held liable under any criminal or civil federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

4.4 **Return of Company Property.** Executive is aware that everything which Executive acquires by virtue of Executive's employment, except the compensation which is due to Executive from the Company, belongs to the Company, whether acquired lawfully or unlawfully, or during or after the expiration of the employment term. Executive understands that this means that all Company property, including physical property, documents, and information, related to or connected with Executive's employment with the Company that Executive receives or creates during Executive's employment with the Company belongs to the Company. Executive understands and agrees that Executive has a duty and a responsibility to return all such property upon termination of Executive's employment with the Company. Executive therefore agrees that, pursuant to that duty, upon termination of Executive's work for the Company, or at any other time upon the Company's written request, Executive will promptly deliver to the Company or certify destruction of all files, hard copies, electronic files and/or emails (even if sent to Executive's private accounts) that contain information relating to Company business, Company clients, and Company prospects, including without limitation, financial information, market analyses, program materials, proposals (signed or unsigned), draft proposals, status updates on accounts, contact information for client contacts, contact logs or reports, notes regarding outstanding issues, and any other client-related information.

5. **Applicability to Past Activities.** Executive acknowledges that the Company engaged Executive to provide services for a period of time before the date of this Agreement (the "**Prior Engagement Period**"). Accordingly, Executive agrees that if and to the extent that, during the Prior Engagement Period: (i) Executive received access to any information from or on behalf of the Company that would have been "Confidential Information" (as defined above) if Executive received access to such information during the period of Executive's employment with Company under this Agreement; or (ii) Executive conceived, created, authored, invented, developed or reduced to practice any item, including any intellectual property rights with respect thereto, that would have been a "Development" (as defined above) if conceived, created, authored, invented, developed or reduced to practice during the period of Executive's employment with Company under this Agreement; then any such information shall be deemed "Confidential Information" hereunder and any such item shall be deemed a "Development" hereunder, and this Agreement shall apply to such information or item as if conceived, created, authored, invented, developed or reduced to practice under this Agreement.

6. **Representations and Warranties.**

6.1 **Other Agreements.** Executive hereby represents and warrants that, except as Executive has disclosed in writing to the Company, Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of Executive's work for the Company.

6.2 **Others' Confidential Information.** Executive hereby represents and warrants that to the best of Executive's knowledge Executive's performance of all the terms of this Confidentiality Agreement and as an executive of the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive in confidence or in trust prior to Executive's work for the Company, and Executive will not disclose to the Company or induce the Company to use any confidential information or material belonging to any previous employer or others.

7. **Other Obligations.** Executive acknowledges that the Company from time to time may have agreements with others which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. Executive agrees to take all action necessary to discharge the obligations of the Company under such agreements, to the extent the Company makes such obligations known to Executive.

8. **Protected Activity.** Executive understands that nothing in this Confidentiality Agreement shall in any way limit or prohibit Executive from engaging in any Protected Activity. For purposes of this Agreement, "**Protected Activity**" means filing a charge or complaint with, reporting possible violations of law to, otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by any federal, state or local government agency, self-regulatory organization, or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("**Government Agencies**"), or taking other actions protected under federal or state whistleblower law (including receiving a whistleblower award). Executive understands that in connection with such Protected Activity, Executive is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding, in making any such disclosures or communications, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than the Government Agencies. Executive further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications. In addition, Executive hereby acknowledges that the Company has provided Executive with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets, as set forth in Section 4.3 of this Confidentiality Agreement.

9. **Miscellaneous.**

9.1 **Terms of Employment.** Executive agrees that this Confidentiality Agreement does not purport to set forth all of the terms and conditions of Executive's employment, which are set forth in the Executive Agreement, and that, as an executive of the Company, Executive has obligations to the Company pursuant to the Executive Agreement which are not set forth in this Confidentiality Agreement.

9.2 **Severability.** The invalidity or unenforceability of any provision of this Confidentiality Agreement will not affect the validity or enforceability of any other provision of this Confidentiality Agreement.

9.3 **Entire Agreement.** This Confidentiality Agreement supersedes all prior agreements, written or oral, between Executive and the Company relating to the subject matter of this Confidentiality Agreement. This Confidentiality Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by Executive and the Company.

9.4 **Successors and Assigns.** This Confidentiality Agreement will be binding upon Executive's heirs, executors and administrators and will inure to the benefit of the Company and its successors and assigns.

9.5 **Waivers.** No delay or omission by either party in exercising any right under this Confidentiality Agreement will operate as a waiver of that or any other right. A waiver or consent on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

9.6 **Transfers.** Executive expressly consents to be bound by the provisions of this Confidentiality Agreement for the benefit of the Company or any subsidiary or affiliate thereof to whose employ Executive may be transferred without the necessity that this Confidentiality Agreement be re-signed at the time of such transfer.

9.7 **Governing Law.** This Confidentiality Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

9.8 **Arbitration.** All disputes arising out of or related to this Confidentiality Agreement shall be governed by Section 9.1 of the Executive Agreement.

9.9 **Remedies.** The restrictions contained in this Confidentiality Agreement are necessary for the protection of the business and goodwill of the Company, and Executive considers them to be reasonable for such purpose. Executive recognizes that irreparable damages would be caused to the Company, and that monetary damages may not compensate the Company for its loss, should Executive breach the terms of this Confidentiality Agreement. Accordingly, in addition to all other remedies available to the Company at law or in equity, upon a showing by the Company that Executive has violated or is about to violate the terms of this Confidentiality Agreement, the Company may seek an injunction or declaratory judgment enforcing the terms of this Confidentiality Agreement, including without limitation preventing disclosure or further disclosure by Executive of Confidential Information. The parties hereto further agree that the prevailing party in any action related to a breach of this Confidentiality Agreement shall be entitled to reasonable attorneys' fees and costs to the fullest extent permitted by applicable law.

9.10 **Narrow Construction Where Necessary.** The parties agree that if any one or more of provisions of this Confidentiality Agreement will for any reason be held to be excessively broad as to time, duration, geographical scope, activity or subject, it will be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it will then appear.

9.11 **Survival.** This Confidentiality Agreement shall survive the termination of Executive's employment for any reason.

9.12 **Termination Certificate.** If requested to do so by the Company, Executive agrees to sign a termination certificate in which Executive confirms that Executive has complied with the requirements of this Confidentiality Agreement and that Executive is aware that certain restrictions imposed upon Executive by this Confidentiality Agreement continue after termination of Executive's work for the Company. Executive understands, however, that Executive's rights and obligations under this Confidentiality Agreement will continue even if Executive does not sign a termination certificate. Executive further agrees that the Company is entitled to communicate Executive's obligations under this Confidentiality Agreement to any of Executive's future employer or potential employer.

Date: October 31, 2023

/s/ Mariam Sorond

Mariam Sorond

NextNav Inc.

Date: October 31, 2023

By: /s/ Gary M. Parsons

Name: Gary M. Parsons

Title: Chairman of the Board

NextNav, LLC

Date: October 31, 2023

By: /s/ Gary M. Parsons

Name: Gary M. Parsons

Title: Chairman of the Board of NextNav Inc.

[Signature Page to the Confidentiality, Invention Assignment, and Non-Solicitation Agreement]

SCHEDULE A

Prior Inventions, Potential Conflicts, Etc.

(Please type or print legibly. Attach additional sheets if necessary to provide a complete description. If you have nothing to disclose, type or print "None" below.)

LIST OF PRIOR INVENTIONS AND ORIGINAL WORKS OF AUTHORSHIP

Title CEO Date 11-29-23 Identifying Number of Brief Description

All prior inventions developed by me within the course and scope of my prior employment with different companies were assigned to the respective companies with whom I then worked. I agree that I will not use or disclose any prior inventions, intellectual property, or confidential information) belonging to any third party during the course and scope of my employment with the Company.

Signature of Executive: /s/ Mariam Sorond

Print Name of Executive: Mariam Sorond

CONFIDENTIAL SEPARATION, GENERAL RELEASE AND POST-SEPARATION CONSULTING AGREEMENT

This Confidential Separation, General Release and Post-Separation Consulting Agreement (the "**Agreement**") is being entered into between Ganesh M. Pattabiraman ("**Executive**"), on the one hand, and NextNav, Inc., NextNav, LLC, and an directly, wholly-owned subsidiary of NextNav, Inc. (collectively, the "**Company**"), on the other hand, in connection with the termination of Executive's employment with the Company on November 29, 2023 (the "**Separation Date**"). Executive and the Company are referred to collectively as the "**Parties**."

1. Termination of Employment. Executive's employment with the Company terminated, or will terminate, without Cause as of the Separation Date pursuant to Section 8.3 of that certain Executive Agreement dated November 17, 2021 by and between Executive and the Company (the "**Executive Agreement**"). As of the Separation Date, pursuant to 8.6 of the Executive Agreement, Executive shall voluntarily resign from all offices and directorships with Company and the Releasees (as defined in Section 6 below). On the Separation Date, Executive shall be paid the Accrued Compensation (as defined in the Executive Agreement).

2. Separation Consideration. In consideration for Executive's execution of this Agreement within the Consideration Period defined in Section 14(a) below and non-revocation of the same, and agreeing to abide by the terms contained herein and the post-termination obligations of the Executive Agreement, the Confidentiality, Invention Assignment, and Non-Solicitation Agreement, dated November 17, 2021, between you and the Company (the "**Confidential Information Agreement**"), and all outstanding equity award grants and agreements issued pursuant to the 2021 Omnibus Incentive Plan and the 2011 Unit Option and Profits Interest Plan, as amended as restated as of October the Company agrees to the following (collectively, the "**Separation Consideration**"):

(a) Engage Executive during the Consulting Term (as defined in Section 4(e) below) as an independent contractor to perform consulting services for the Company as described in and accordance with the terms set forth in this Agreement and Exhibit B, which is attached hereto (the "**Services**"), with the opportunity to extend the Term for subsequent period(s) upon mutual agreement between the Parties;

(b) Pay Executive the gross amount of \$364,000/Current Salary in a lump sum, less applicable required withholdings and deductions, on the next reasonably practicable regular payroll date of the Company following the Effective Date;

(c) provided that Executive properly elects continuation healthcare coverage under COBRA and the regulations thereunder, the Company will pay the COBRA premiums necessary for the continuation of group healthcare coverage under the Company's group medical and dental plans pursuant Section 4980B of the Internal Revenue Code ("COBRA") for Executive and his covered dependents, as and when due to the insurance carrier or COBRA administrator (as applicable), for the shorter of:

(1) twelve months following the Separation Date; (2) until Executive is covered under a new health insurance plan, or (3) the cessation of Executive's eligibility for the continuation coverage under COBRA ("COBRA Benefits"). Thereafter, Executive may continue coverage through COBRA, if eligible under applicable law, or Executive's new health insurance plan, at Executive's sole expense. COBRA continuation premiums paid or reimbursed pursuant to this Section 2(c) shall be capped at the coverage levels, if any, Executive elected during the Company's last open enrollment period, and that were in place on the Separation Date.

(d) Fully vest all of Executive's outstanding, unvested equity-based compensation awards originally granted with respect to units of NextNav, LLC ("**Legacy Equity Awards**") as of the date immediately prior to the Separation Date;

(e) Fully vest all outstanding, unvested equity-based awards subject solely to time- based vesting (other than the Legacy Equity Awards and the TIP RSUs), that would have vested but for the termination of employment during the twelve (12) month period immediately following the Separation Date;

(f) Executive acknowledges and agrees that, and in accordance with Section 8.3(b)(vi) of the Executive Agreement, (1) all outstanding, unvested restricted stock units relating to shares of the Company's common stock granted following the consummation of the transactions contemplated by that certain Agreement and Plan of Merger, dated as of June 9, 2021, entered into by and between the Employer, NextNav Holdings, LLC, Spartacus Acquisition Corporation, and Spartacus Acquisition Shelf Corp. and specified as part of the Transaction Incentive Program (the "**TIP RSUs**") and (2) all outstanding, unvested equity-based compensation awards subject to performance-based vesting granted to Executive during the Term (as that term is defined in the Executive Agreement) shall be subject and treated consistently with the terms of the applicable award agreement; and

(g) At the sole discretion of the Company's new Chief Executive Officer, the Company may consider granting additional equity awards. All equity referenced in Sections 2(d), 2(e), and 2(f) shall continue to be governed by all terms and conditions applicable to equity awards and plans.

The parties agree that Executive's current equity awards as of the Separation Date, with the acceleration provided by subsections (d) through (f) above, are listed in Exhibit C.

3. **Accord and Satisfaction.** Executive acknowledges and agrees that the Separation Consideration and other benefits being made available to Executive pursuant to this Agreement, are greater than, and shall constitute full and complete accord and/or satisfaction of any and all outstanding obligations owing to Executive pursuant to the Executive Agreement, including without limitation, any and all amounts due and owing to Executive upon Executive's separation from employment without Cause pursuant to Section 8.3 of the Executive Agreement. Executive further acknowledges and agrees that, other than Executive's base salary owed through the Separation Date which shall be paid on the Separation Date,, Executive has been fully paid any and all compensation due and owing to Executive in connection with Executive's employment with Company, including all wages, salary, commissions, bonuses, including but not limited to the 2022 Annual Bonus (as that term is defined in the Executive Agreement) options, shares, stock, incentive payments, equity interests, profit-sharing payments, expense reimbursements, accrued but unused vacation pay, leave or other benefits, and Executive is not owed any other compensation related to Executive's employment with the Company other than the amounts specifically set forth herein. Executive further agrees that the Separation Consideration is not compensation for Executive's services rendered through Executive's Separation Date, but rather constitutes consideration for the promises contained in this Agreement, and is above and beyond any compensation, wages or salary or other sums to which Executive was entitled as a result of Executive's engagement with the Company, the Executive Agreement, or under any other contract or law.

4. Consulting Engagement.

(a) **Performance of Services.** Executive shall perform the Services to the best of Executive's ability and in a diligent, timely, professional, and workmanlike manner, in accordance with the terms and conditions of this Agreement, applicable law, and performance standards generally prevailing in the industry. Executive represents and warrants that Executive has the professional expertise needed to perform the Services. The Parties acknowledge and agree that Executive's fulfillment of obligations to the Company will not require Executive's full business time. In the time that Executive is not providing the Services to the Company, Executive may accept other employment or engagements and may participate in any other activities without obtaining the Company's approval thereof; provided, however, that such other employment, engagements, or activities: (i) do not violate this Agreement; (ii) do not materially interfere or conflict with Executive's ability or commitment to perform the Services; and (iii) are not otherwise injurious to the reputation of the Company or the Releasees. Executive shall be responsible for costs or expenses incurred by Executive in connection with the performance of the Services, and in no event shall the Company reimburse Executive for any such costs or expenses, except that the Company will reimburse Executive for travel-related expenses when the Company requests that Executive travel in order to provide the Services, and the Company pre-approves any such expenses.

(b) **Independent Contractor Relationship.** It is the express intention of the Parties that Executive perform the Services as an independent contractor to the Company, and all of the terms and conditions of this Agreement shall be interpreted in light of that relationship. Nothing in this Agreement shall in any way be construed to constitute Executive as an agent, employee, partner, joint venturer or representative of the Company. As an independent contractor, Executive represents Executive has the right of sole and exclusive control over the manner, methods, and means of performing the Services and shall complete the Services in accordance with Executive's own means and methods of work, provided, however, that Executive shall accept any reasonable directions issued by the Company pertaining to the goals to be attained and the results to be achieved by Executive. Executive represents and warrants that Executive customarily engages in an independent business, trade, and/or business of the same nature of the work to be performed for the Company. Executive acknowledges that the Services Executive provides to the Company are outside the usual course of the Company's business. The Company shall have no obligation to order any Services from Executive other than as provided in this Agreement. Executive shall maintain sole discretion to reject any request for Services. However, once Executive accepts a request for Services, Executive shall be responsible for the timely and competent completion of the Services ordered.

(c) **Benefits.** The Parties agree that following the Separation Date, Executive will be ineligible to participate in, and will receive no, Company-sponsored benefits from the Company including but not limited to vacation, sick leave, medical insurance, or pension or retirement savings. Except as provided in Section 2(c), Executive will be solely responsible for obtaining the Executive's own benefit plan coverage and insurance. The Company agrees to defend, indemnify and hold harmless Executive from and against any and all claims, demands, losses, costs, expenses, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorney fees and costs, that Executive may incur or suffer and that result, directly or indirectly, from the Services, except to the extent they result, directly or indirectly, from any reckless or intentionally wrongful act of Executive.

(d) **Taxes.** Executive will be solely responsible for and pay all taxes under any applicable law in connection with the Company's payments to Executive. Executive hereby accepts exclusive liability for the payment of all taxes or contributions for employment/unemployment insurance, pensions, annuities or other payments which are measured by payments to Executive for the performance of the Services. Executive agrees to comply with all applicable law respecting the assumption of liability for such taxes and contributions. Executive agrees fully to defend, indemnify and hold harmless the Company from the payment of taxes, interest, penalties or contributions which are required of the Company by any government agency at any time as the result of Executive's tax obligation due to any payment of the amounts set forth in this Agreement or which the Company may otherwise be compelled to pay.

(e) **Term and Termination.** Executive shall provide the Services to the Company beginning on the Effective Date (as defined in Section 16 below) and continuing until the two-year anniversary of the Effective Date (the "**Consulting Term**"), unless mutually extended in writing by the Parties. Notwithstanding the foregoing, Company may terminate Executive's consulting relationship with the Company immediately and without prior notice (i) if Executive refuses to or is unable to perform the Services, (ii) if Executive is in breach of any material provision of this Agreement, or (iii) accepts a position as an employee, consultant, director or any other capacity with a competitor of the Company, and Executive may terminate this consulting relationship with the Company immediately and without prior notice if the Company is in breach of any material provision of this Agreement. In such an event, the Company shall only be obligated to pay any consulting fees accrued, but not yet paid, as of the date of such termination, and, as applicable, prorated for the month of such termination.

(f) **Equity During Consulting Term.** During the Consulting Term, Executive shall continue to vest in all outstanding, unvested equity grants he holds. For the avoidance of doubt, the equity grants that accelerate pursuant to Section 2(e) shall continue to vest pursuant to the schedule in the applicable agreements during the Consulting Term without regard to the acceleration and without any lapse in the vesting schedule (see example in Exhibit C). At the end of the Consulting Term, or if the Company terminates the Consulting Term earlier in accordance with Section 4(e) of this Agreement, Executive shall immediately cease vesting with respect to any equity grants he then holds which are not yet vested.

(g) **Assignment.** Notwithstanding Section 12 of the Agreement, Executive shall have the right to assign his rights and obligations regarding the performance of the Services (as defined herein) during the Consulting Term, including compensation for the Services, to an entity that is solely owned by Executive and for which Executive will be the sole provider of Services to the Company, except that Executive's performance of Services through such entity shall continue to qualify as continued "Service" (as that term is defined in the 2021 Omnibus Incentive Plan and applicable agreements) for the purposes of vesting of Executive's equity awards.

5. Ownership.

(a) **Assignment of Inventions.** If at any time during Executive's performance of Services, Executive, either alone or with others, makes conceives, creates, discovers, invents, develops, improves, adds to, or reduces to practice any invention, modification, discovery, drawing, design, concept, idea, specification, development, audiovisual work, literary work, musical work, dramatic work, pictorial, graphic or sculptural work, development and/or "green-lit" projects, sound recordings, pantomimes, choreographic work, improvement, process, software program, work of authorship, documentation, formula, data, technique, know-how, trade secret, trade name, domain name, logos and get-up, computer data, databases, applications for registration, renewals and extensions in relation to any of the above, or any similar intellectual property whatsoever or any interest therein (whether or not patentable or registrable under copyright, trademark or similar statutes), and all intangible rights and privileges of a nature similar, analogous or allied to any of the above in any part of the world (herein called "**Developments**") that: (a) relate to the present or planned business of the Company or its affiliates or any of the products or services being developed, manufactured or sold by the Company or its affiliates, or which may be used in relation therewith; (b) result from responsibilities assigned to Executive by the Company or from services rendered by Executive under the Executive Agreement; or (c) result from the use of premises or property (whether tangible or intangible) owned, leased or contracted for by the Company, such Developments and the benefits thereof are and shall immediately become the sole and absolute property of the Company and its assigns, as works made for hire or otherwise, and Executive shall promptly disclose in writing to the Company (or any persons designated by it) each such Development, as may be necessary to ensure the Company's ownership of such Development.

(b) **Pre-Existing Materials.** Subject to Section 5(a), Executive will provide the Company with prior written notice if, in the course of performing the Services, Executive incorporates into any Development or utilizes in the performance of the Services any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right owned by Executive or in which Executive has an interest, prior to, or separate from, performing the Services under this Agreement ("**Prior Inventions**"), and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable, worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. Executive will not incorporate any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right, including without limitation any free software or open source software, owned by any third party into any Development without Company's prior written permission.

(c) **Assignment and Waiver of Moral Rights.** To the extent, if any, that Development rights may not be automatically vested in and owned by Company as work made for hire in any part of the universe, Executive hereby assigns any and all rights (including, but not limited to, any copyrights and trademarks) Executive may have or acquire in the Developments and benefits and/or rights resulting therefrom to the Company and its assigns without further compensation and shall communicate, without cost or delay, and without disclosing to others the same, all available information relating thereto (with all necessary plans and models) to the Company. Notwithstanding the above, to the extent that the Developments do not belong to the Company, then to the fullest extent permitted by the law, Executive shall assign to the Company, by way of present assignment of future rights in respect of rights not yet created, the Developments and hold in trust for the benefit of the Company the ownership of the Developments until they belong entirely to the Company. In addition to the foregoing assignment of Developments to the Company, Executive hereby irrevocably transfers and assigns to the Company (or, to the extent if any not transferrable or assignable, waives in favor of Company, its successors, licensees and assigns): (a) all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights in any Developments, and (b) any and all "Moral Rights" (as defined below) that Executive may have in or with respect to any Developments. Executive also hereby forever waives and agrees never to assert any and all Moral Rights Executive may have in or with respect to the Developments, even after termination of Executive's engagement by the Company. For the purposes of this Agreement, "**Moral Rights**" mean any rights to claim authorship of the Developments, to object to or prevent the modification of any Developments, or to withdraw from circulation or control the publication or distribution of any Developments, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right."

(d) **Records.** Executive will keep and maintain adequate and current written records of all Developments (in the form of notes, sketches, drawings and as may be specified by the Company), which records will be available to and remain the sole property of the Company at all times.

(e) **Third Party Content.** Executive shall not incorporate third-party text, information, data, images, software or other content ("**Third Party Content**") into any Development without first advising Company and providing appropriate attribution. To the extent such use or incorporation requires a license, approval or permission, upon consultation with the Company, if requested by the Company, Executive will obtain the same so as to enable the Company to use, in accordance with this Agreement.

(f) **Further Assurances.** Executive agrees to assist Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in Developments and any copyrights, patents, mask work rights or other intellectual property rights relating to all Development in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments that the Company may deem necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to deliver, assign and convey to the Company, its successors, assigns and nominees the sole and exclusive right, title, and interest in and to all Developments and testifying in a suit or other proceeding relating to such Developments. Executive further agrees that Executive's obligations under this Section 5(f) shall continue after the termination of this Agreement.

(g) **Attorney-in-Fact.** Executive agrees that, if the Company is unable because of Executive's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Executive's signature with respect to any Development, including, without limitation, for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Developments assigned to the Company in Section 5(a), then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf to execute and file any papers and oaths and to do all other lawfully permitted acts with respect to such Developments to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by Executive. This power of attorney shall be deemed coupled with an interest, and shall be irrevocable.

(h) **Exception.** Executive understands that the provisions of this Agreement requiring assignments of Developments to the Company do not apply to any invention which qualifies fully under the provisions of California Labor Code section 2870 (or, if applicable, any similar law of any other jurisdiction), which provides:

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

- (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
- (2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

6. **General Release.** Executive, for Executive, and for Executive's heirs, assigns, executors and administrators, hereby releases, remises and forever discharges the Company and parents, subsidiaries, joint ventures, investors, affiliates, divisions, predecessors, successors, assigns, and each of their respective directors, officers, partners, attorneys, shareholders, administrators, employees, agents, representatives, employment benefit plans, plan administrators, fiduciaries, trustees, insurers and re-insurers, and all of their predecessors, successors and assigns (collectively, the "**Releasees**") of and from all claims, causes of action, covenants, contracts, agreements, promises, damages, disputes, demands, and all other manner of actions whatsoever, in law or in equity, that Executive ever had, may have had, now has, or that Executive's heirs, assigns, executors or administrators hereinafter can, shall or may have, whether known or unknown, asserted or unasserted, suspected or unsuspected, as a result of or related to Executive's employment with the Company, the termination of that employment, the Executive Agreement, the Confidential Information Agreement, the Arbitration Agreement, or any act or omission which has occurred at any time up to and including the date of the execution of this Release (the "**Released Claims**").

(a) **Released Claims.** The Released Claims released include, but are not limited to, any claims for monetary damages; any claims related to Executive's employment with the Company or the termination thereof; any claims to severance or similar benefits (including but not limited to the severance described in Section 8.3 of the Executive Agreement); any claims to expenses, attorneys' fees or other indemnities; any claims to options or other interests in or securities of the or its parent or affiliates, including but not limited to any claims based on any actions or failures to act that occurred on or before the date of this Agreement; and any claims for other personal remedies or damages sought in any legal proceeding or charge filed with any court or federal, state or local agency either by Executive or by any person claiming to act on Executive's behalf or in Executive's interest. Executive understands that the Released Claims may have arisen under different local, state and federal statutes, regulations, or common law doctrines. Executive hereby specifically, but without limitation, agrees to release all Releasees from any and all claims under each of the following laws:

(i) Antidiscrimination laws, such as Title VII of the Civil Rights Act of 1964, as amended, and Executive Order 11246 (which prohibit discrimination based on race, color, national origin, religion, or sex); Section 1981 of the Civil Rights Act of 1866 (which prohibits discrimination based on race or color); the Americans with Disabilities Act and Sections 503 and 504 of the Rehabilitation Act of 1973 (which prohibit discrimination based upon disability); the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621 *et seq.* (which prohibits discrimination on the basis of age); the Equal Pay Act (which prohibits paying men and women unequal pay for equal work); the California Fair Employment and Housing Act, California Government Code Section 12900 *et seq.* (which prohibits discrimination based on protected characteristics including race, color, religion, sex, gender, sexual orientation, marital status, national origin, language restrictions, ancestry, physical or mental disability, medical condition, age, and denial of leave); the California Equal Pay Law (which prohibits unequal pay for substantially similar work on the basis of sex, race or ethnicity), California Labor Code Section 1197.5; the Unruh Civil Rights Act, California Civil Code Section 51 *et seq.* (which prohibits discrimination based on age, sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status, or sexual orientation); or any other local, state or federal statute, regulation, common law or decision concerning discrimination, harassment, or retaliation on these or any other grounds or otherwise governing the relationship between Executive and the Company.

(ii) Other employment laws, such as the federal Worker Adjustment and Retraining Notification Act of 1988 or the California Worker Adjustment and Retraining Notification Act, California Labor Code Sections 1400 *et seq.* (known as WARN laws, which require advance notice of certain workforce reductions); the Employee Retirement Income Security Act of 1974 (which, among other things, protects employee benefits); the Fair Labor Standards Act of 1938 (which regulates wage and hour matters, including the classification of employees and contractors); the Family and Medical Leave Act of 1993 (which requires employers to provide leaves of absence under certain circumstances); the California Labor Code (which regulates employment and wage and hour matters, including the classification of employees and contractors); the California Family Rights Act of 1993, California Government Code Section 12945.1 *et seq.* (which requires employers to provide leaves of absence under certain circumstances); and the California Constitution.

(iii) Other laws of general application, such as federal, state, or local laws enforcing express or implied employment or independent contractor agreements or other contracts or covenants, or addressing breaches of such agreements, contracts or covenants; federal, state or local laws providing relief for alleged wrongful discharge or termination, physical or personal injury emotional distress, fraud, intentional or negligent misrepresentation, defamation, invasion of privacy, violation of public policy or similar claims; common law claims under any tort, contract or other theory now or hereafter recognized, including but not limited to any claims under the Executive Agreement, the Confidential Information Agreement, equity award agreements or plans, and any other federal, state, or local statute, regulation, common law doctrine, or decision regulating or regarding employment or independent contractors.

(b) **Participation in Agency Proceedings**. Nothing in this Agreement shall prevent Executive from filing a charge (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission (the "EEOC"), the National Labor Relations Board (the "NLRB"), the California Department of Fair Employment and Housing (the "DFEH"), or other similar federal, state or local agency, or from participating in any investigation or proceeding conducted by the EEOC, the NLRB, the DFEH, or similar federal, state or local agencies. However, by entering into this Agreement, Executive understands and agrees that Executive is waiving any and all rights to recover any monetary relief or other personal relief as a result of any such EEOC, NLRB, DFEH, or similar federal, state or local agency proceeding, including any subsequent legal action.

(c) **Claims Not Released**. The Released Claims do not include claims by Executive for: (1) unemployment insurance; (2) worker's compensation benefits; (3) state disability compensation; (4) previously vested benefits under any the sponsored benefits plan of the Company or its parent or affiliates; (5) any other rights that cannot by law be released by private agreement; (6) any indemnification rights Executive may have under applicable law, the Company's incorporation documents or bylaws, or any agreement, or any right to coverage under the Company's directors and officers insurance, and (7) any claim that arises after this Agreement is executed.

(d) **Waiver of Rights under California Civil Code Section 1542**. Executive further acknowledges that Executive has read Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Executive understands that Section 1542 gives Executive the right not to release existing claims of which Executive is not now aware, unless Executive voluntarily chooses to waive this right. **Even though Executive is aware of this right, Executive nevertheless hereby voluntarily waives the right described in Section 1542 and any other statutes of similar effect, and elects to assume all risks for claims that now exist in Executive's favor, known or unknown, arising from the subject matter of the Release.** Executive acknowledges that different or additional facts may be discovered in addition to what Executive now knows or believes to be true with respect to the matters released in this Agreement, and Executive agrees that this Agreement will be and remain in effect in all respects as a complete and final release of the matters released, notwithstanding any such different or additional facts.

(e) **No Existing Claims or Assignment of Claims**. Executive represents and warrants that Executive has not previously filed or joined in any claims that are released in this Agreement and that Executive has not given or sold any portion of any claims released herein to anyone else, and that Executive will indemnify and hold harmless the Company and the Releasees from all liabilities, claims, demands, costs, expenses and/or attorneys' fees incurred as a result of any such prior assignment or transfer.

(f) **Acknowledgement of Legal Effect of Release**. BY SIGNING THIS AGREEMENT, EXECUTIVE UNDERSTANDS THAT HE IS WAIVING ALL RIGHTS HE MAY HAVE HAD TO PURSUE OR BRING A LAWSUIT OR MAKE ANY LEGAL CLAIM AGAINST THE COMPANY OR THE RELEASEES, INCLUDING, BUT NOT LIMITED TO, CLAIMS THAT IN ANY WAY ARISE FROM OR RELATE TO EXECUTIVE'S EMPLOYMENT WITH THE COMPANY OR THE TERMINATION OF THAT EMPLOYMENT, FOR ALL OF TIME UP TO AND INCLUDING THE DATE OF THE EXECUTION OF THIS AGREEMENT. EXECUTIVE FURTHER UNDERSTANDS THAT BY SIGNING THIS AGREEMENT, EXECUTIVE IS PROMISING NOT TO PURSUE OR BRING ANY SUCH LAWSUIT OR LEGAL CLAIM SEEKING MONETARY OR OTHER RELIEF.

(g) **Restrictions**. Notwithstanding anything to the contrary herein, Executive understands that nothing in this Agreement or any other agreement that Executive may have with the Company restricts or prohibits Executive from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including but not limited to the Securities Exchange Commission and the federal Office of Occupational Health (collectively, "Government Agencies"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Executive does not need the Company's prior authorization to engage in such conduct. Notwithstanding, in making any such disclosures or communications, Executive must take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information of the Company, its parent or affiliates to any parties other than the Government Agencies. This Agreement does not limit Executive's right to receive an award for information provided to any Government Agencies.

7. **Non-Disclosure of This Agreement.** Executive agrees that from and after the date of the receipt of this Agreement, Executive will not, directly or indirectly, provide to any person or entity any information concerning or relating to the negotiation of this Agreement or its terms and conditions, except: (i) to the extent specifically required by law or legal process or as authorized in writing by the Company; (ii) to Executive's tax advisors as may be necessary for the preparation of tax returns or other reports required by law; (iii) to Executive's attorneys as may be necessary to secure advice concerning this Agreement; or (iv) to members of Executive's immediate family. Executive agrees that prior to disclosing such information under parts (ii), (iii), or (iv) of this Section, Executive will inform the recipients that they are bound by the limitations of this section. Subsequent disclosure by any such recipients will be deemed to be a disclosure by Executive in breach of this Agreement.

8. **Confidentiality.**

(a) **Confidential Information.** Executive agrees that any sensitive, proprietary, or confidential information, trade secrets, copyrighted materials, or other such information relating to the Company or any of its affiliates or other Releasees as defined above, including, without limitation, information relating to their legal and business affairs, financial affairs, operations, officers, directors, employees, consultants, vendors or customers, including but not limited to product designs, concepts, materials, compositions, styles, ideas, prototypes, business plans, development plans, any and all information relating to the Company's business ideas, concepts, business contacts, client contacts, consumer contacts, business strategies, trade secrets, patent information, trademark information, financial information, manufacturing or marketing techniques, know-how, processes, formulas, costs, developments, experimental works, works in progress, technical information, practices, pricing information, billing histories, customer requirements, customer lists, customer contacts, employee lists, salary information, personnel matters, financial data, operating results, plans, contractual relationships, projections for new business opportunities, new or developing business for the Company, technological innovations in any stage of development, the Company's financial data, long range or short range plans, the identity and contact information of manufacturing and design resources and facilities used by the Company, product trends, marketing and sales positioning strategies, distribution information, any confidential or proprietary information of others licensed to the Company, all other data and information of a competition-sensitive nature, or other information originated, owned, controlled or possessed by Company (collectively, "**Confidential Information**"), and all notes, records, software, drawings, handbooks, manuals, policies, contracts, memoranda, sales files, or any other documents generated or compiled by any employee or independent contractor of the Company reflecting such Confidential Information that Executive acquired while engaged with the Company, will not directly or indirectly be published, disclosed, marketed or used for Executive's own purposes or in a manner detrimental to the Company's interests. Executive further agrees that Executive shall not directly or indirectly authorize, advise, hire, counsel or otherwise procure any other person or entity, directly or indirectly, to publish, disclose, market or use, any such Confidential Information for Executive's own purposes or in a manner detrimental to the Company's interests. Executive acknowledges that it is in the Company's legitimate business interest to restrict Executive's disclosure or use of such Confidential Information for any purposes other than as agreed to in writing by the Company and to prohibit any potential misappropriation of such Confidential Information. Such Confidential Information is and shall continue to be the exclusive property of the Company and other Releasees, whether or not it was disclosed to or developed in whole or in part by Executive.

This provision is in addition to the Executive's continuing confidentiality obligations pursuant to the Confidential Information Agreement, the terms of which Executive acknowledges and agrees to abide.

(b) **Exceptions.** Executive's undertakings and obligations under this Section 8 will not apply, however, to any Confidential Information which: (a) is or becomes generally known to the public through no action on Executive's part; (b) is generally disclosed to third parties by the Company without restriction on such third parties; (c) is approved for release by written authorization of the Company; or (d) is required to be disclosed by law, regulation, order, decree or legal process, provided that Executive gives prompt written notice to the Company prior to such disclosure so that the Company may seek a restraining order or pursue other recourse. Nothing in this Agreement prohibits Executive from reporting possible violations of law to a governmental agency or self-regulatory organization, cooperating with such agency, or taking other actions protected under federal or state whistleblower law (including receiving a whistleblower award), in each case without prior notice to or authorization from the Company. Furthermore, nothing in this Agreement prevents Executive from: (a) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful; or (b) discussing the terms and conditions of Executive's engagement with the Company to the extent expressly permitted by Section 7 of the National Labor Relations Act or to the extent that such disclosure is protected under the applicable provisions of law or regulation, including but not limited to "whistleblower" statutes or other similar provisions that protect such disclosure.

(c) **Defend Trade Secrets Act.** Executive acknowledges that pursuant to 18 U.S.C. § 1833(b), an individual may not be held liable under any criminal or civil federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

9. Return of Information and Property. Unless otherwise required in connection with Executive's performance of the Services, Executive agrees to return to the Company all property and equipment belonging to the Company and the Releasees, including without limitation all Company property which includes, but is not limited to any keys, credit cards, I.D. cards, passwords, iPads, laptops, cellular phones, the originals and all copies (regardless of medium) of all information pertaining to or related to the Company including any Confidential Information, files, materials, documents, work product, files, calendars, books, records, notes, notebooks, manuals, computer disks, diskettes and any other magnetic and other media materials or other property relating to the business of the Company, the Releasees, or their affiliates, and Executive represents that all such information and items have been returned to the Company. If Executive fails to return any such property, the Company shall be entitled to deduct from the Separation Consideration an amount equal to the value of non-returned property.

10. Non-disparagement. Executive agrees that Executive will not make to any person or entity any false, disparaging, or derogatory comments about the Company and its business affairs, its employees, clients, contractors, agents, or any of the other Releasees. The Company agrees to instruct its current executive officers and members of its Board of Directors not to make to any person or entity any false, disparaging, or derogatory comments about Executive. This prohibition does not preclude either party from providing truthful testimony if compelled by law nor does it prohibit the disclosure of factual information that may be disclosed pursuant to California Code of Civil Procedure 1001. Specifically, nothing in this agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful.

11. Mutual Agreement to Arbitrate. To the fullest extent allowed by law and in consideration of Executive's engagement with the Company as an independent contractor, the Company's promise to arbitrate all engagement-related disputes, and the Executive's receipt of the compensation, compensation increases, and other benefits, at present and in the future, Executive hereby agrees that any controversy, claim or dispute between Executive and the Company relating to or arising out of Executive's consulting relationship or the cessation of that relationship, including any breach of this Agreement will be submitted to final and binding arbitration. This agreement to arbitrate covers all engagement-related claims including, but not limited to, claims for unpaid compensation, breach of contract, torts, violation of public policy, discrimination, harassment, or any other engagement-related claim under any state or federal statutes or laws relating to a contractor's relationship with his/her engaging entity, regardless of whether such dispute is initiated by Executive or the Company (or to the extent applicable the Company Arbitration Parties). The agreement also covers any and all claims that the Company may have against Executive, including claims for misappropriation of Company, property, disclosure of proprietary information or trade secrets, gross negligence, or any other claim for alleged wrongful conduct.

(a) Arbitration Forum. This agreement to arbitrate is governed by and enforceable under the Federal Arbitration Act, 9 U.S.C. Section 1 et seq, as amended, (the "Rules"). Such arbitration shall be before a neutral arbitrator in the county in which Executive most recently performed Services for the Company for determination in accordance with the American Arbitration Association Employment Arbitration Rules and Mediation Procedures ("**AAA Rules**"), including any subsequent modifications or amendments to such AAA Rules, as the exclusive remedy for such controversy, claim or dispute. (A copy of the most current AAA Rules may be obtained from the Company's Human Resources Department or by visiting www.adr.org.) Nothing in this agreement to arbitrate shall be deemed to alter any statutory obligation Executive may have to exhaust administrative remedies prior to filing a claim.

(b) Arbitration Procedure. In any such arbitration, the parties may conduct discovery to the same extent as would be permitted in a court of law. The arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the state in which Executive was engaged by the Company as an independent contractor, or federal law, or both, as applicable to the claim(s) asserted. The Federal Rules of Evidence shall apply, except as modified by the arbitrator. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this agreement to arbitrate, including the arbitrability of any claims or defenses. The arbitrator shall issue a written decision stating the factual findings and conclusions on which the award is based, and shall have full authority to award all remedies that would be available in court. The Company (or to the extent applicable the Company Arbitration Parties) shall be responsible for all costs and fees unique to the arbitration process to the extent required by law. Otherwise, each party shall be responsible for paying its own costs for the arbitration, including but not limited to attorneys' fees. However, if any party prevails on a claim that affords the prevailing party attorneys' fees pursuant to law, statute, or contract, or costs, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party to the extent allowed by law. The arbitrator shall resolve any dispute as to the reasonableness of any fee or cost. Any judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Either the Company or Executive may petition a court for provisional relief, including injunctive relief, as permitted by the Rules, including, but not limited to, where either the or Executive allege or claim a violation of this agreement to arbitrate or any other agreement regarding trade secrets, confidential information, or California Labor Code §2870 or other restrictive covenants.

(c) **Excluded Claims.** Notwithstanding the foregoing, claims for workers' compensation benefits and unemployment insurance or any other claims that, as a matter of law, the parties cannot agree to arbitrate are not covered by this agreement to arbitrate. Nothing in this agreement to arbitrate shall be interpreted to prohibit or preclude the filing of complaints with the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, the National Labor Relations Board, or any similar federal, state, or municipal agency.

(d) **Class Action Waiver.** Except as otherwise required by law, the Parties expressly intend and agree that: (a) class action, representative action, and collective action procedures shall neither be asserted nor apply in any arbitration conducted pursuant to this agreement to arbitrate; (b) each party will not assert and hereby waives its right to pursue or participate in class, representative, or collective action claims against the other in arbitration or any other forum; and (c) the Parties shall only submit their own, individual claims in arbitration and will not seek to represent the interests of any other person. Notwithstanding the foregoing, nothing in this agreement to arbitrate shall be construed or interpreted as prohibiting or precluding, but only to the extent precluded by applicable law, the filing of non-individual claims under California's Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2968 et seq.) in a court of law.

BY AGREEING TO THIS BINDING MUTUAL ARBITRATION PROVISION, EXCEPT WHERE EXPLICITLY EXCLUDED IN THIS AGREEMENT, BOTH THE COMPANY AND EXECUTIVE GIVE UP ALL RIGHTS TO A TRIAL BY JURY, AND ARE GIVING UP THEIR NORMAL RIGHTS OF APPEAL FOLLOWING THE RENDERING OF A DECISION, EXCEPT AS THE FEDERAL ARBITRATION ACT AND APPLICABLE FEDERAL LAW ALLOW FOR JUDICIAL REVIEW OF ARBITRATION PROCEEDINGS.

12. General Provisions. This Agreement contains the entire understanding and agreement between the Parties relating to the subject matter of this Agreement, and supersedes any and all prior agreements or understandings between the Parties pertaining to the subject matter hereof. This Agreement may not be altered or amended except by an instrument in writing signed by both Parties. Executive has not relied upon any representation or statement outside this Agreement with regard to the subject matter, basis or effect of this Agreement. This Agreement will be governed by, and construed in accordance with, the laws of the State of California, excluding the choice of law rules thereof. The language of all parts of this Agreement will in all cases be construed as a whole, according to the language's fair meaning, and not

strictly for or against any of the Parties. This Agreement will be binding upon and inure to the benefit of the Parties and their respective representatives, successors and permitted assigns. Neither the waiver by either Party of a breach of or default under any of the provisions of the Agreement, nor the failure of such Party, on one or more occasions, to enforce any of the provisions of the Agreement or to exercise any right or privilege hereunder will thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any provisions, rights or privileges hereunder. The Parties agree to take or cause to be taken such further actions as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms, and conditions of this Agreement. This Agreement and the rights and obligations of the Parties hereunder may not be assigned by Executive without the prior written consent of the Company, but may be assigned by the Company or its successors and assigns without Executive's permission or consent. If any one or more of the provisions of this Agreement, or any part thereof, will be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will not in any way be affected or impaired thereby. This Agreement may be signed in one or more counterparts, each of which will be deemed an original, and all of which together will constitute one instrument. For the avoidance of doubt, to the extent that any portion of the waiver contained in Section 11(d) is determined to be invalid or unenforceable, the Company and Executive agree that the valid portion of the waiver shall be enforced in arbitration.

13. No Admission; Remedies. The Parties agree that nothing contained in this Agreement will constitute or be treated as an admission of liability or wrongdoing by either of them. Executive acknowledges and agrees that any breach of this Agreement will cause irreparable harm to the Company for which monetary damages may not compensate the Company for its loss or would be impossible or inadequate to measure and calculate the Company's damages. Accordingly, in addition to all other remedies available to the Company at law or in equity, and notwithstanding any arbitration agreement between the Company and Executive, either the Company or Executive may seek an injunction or declaratory judgment regarding the terms of this Agreement or the breach or threatened breach of the Agreement, including without limitation preventing disclosure or further disclosure by Executive of Confidential Information. In any action to enforce the terms of this Agreement, the prevailing Party will be entitled to recover its costs and expenses, including reasonable attorneys' fees and costs to the fullest extent permitted by applicable law.

14. ADEA Acknowledgment/Time Periods. With respect to the General Release in Section 6 of this Agreement, Executive agrees and understands that by signing this Agreement, Executive is specifically releasing all claims under the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621 et seq. Executive acknowledges that Executive has carefully read and understands this Agreement in its entirety, and executes it voluntarily and without coercion.

(a) **Consideration Period.** Executive is hereby advised to consult with a competent, independent attorney of Executive's choice, at Executive's expense, regarding the legal effect of this Agreement before signing it. Executive shall have at least twenty-one (21) days from receipt of this Agreement to consider whether to execute it (the "**Consideration Period**"), but Executive may voluntarily choose to execute this Agreement before the end of the twenty-one (21) day period if Executive so chooses, Executive shall execute this Agreement as well as Exhibit A hereto.

(b) **Revocation Period.** Executive understands that Executive has seven (7) days following Executive's execution of this Agreement to revoke it in writing, and that this Agreement is not effective or enforceable until after this seven (7) day period has expired without revocation. If Executive wishes to revoke this Agreement after signing it, Executive must provide written notice of Executive's decision to revoke the Agreement to the Company, to the attention of Gary Parsons by no later than 12:01 a.m. on the eighth (8th) calendar day after the date by which Executive has signed this Agreement (the "**Revocation Deadline**").

15. **Internal Revenue Code Section 409A:** The Parties intend to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**"). All payments under this Agreement are intended to either be exempt from or comply with the requirements of Section 409A. All payments made under this Agreement shall be strictly paid in accordance with the terms of this Agreement. The Parties expressly understand that the provisions of this Agreement shall be construed and interpreted to avoid the imputation of any additional tax, penalty or interest under Section 409A and to preserve (to the nearest extent reasonably possible) the intended benefits payable to Executive hereunder. The Severance paid under this Agreement shall be treated as a separate payment of compensation for purposes of Section 409A. Any reimbursements or in-kind benefits provided under this Agreement that are subject to Section 409A shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in the Agreement, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. Executive's right to any deferred compensation, as defined under Section 409A, shall not be subject to borrowing, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors, to the extent necessary to avoid additional tax, penalties and/or interest under Section 409A. Nothing herein, including the foregoing sentence, shall change the Company's rights and/or remedies under the Agreement and/or applicable law. In no event shall the Company be liable for any penalties, costs, damages, levies or taxes imposed on Executive pursuant to Section 409A.

16. **Execution.** Executive understands and agrees that this Agreement shall be null and void and have no legal or binding effect whatsoever if: (1) Executive signs but then timely revokes the Agreement before the Revocation Deadline or (2) the Agreement is not signed by Executive on or before the twenty-first (21st) day after Executive receives it. This Agreement shall become effective immediately following the latest of the following to occur: (1) expiration of the Revocation Deadline if Executive signed this Agreement within Consideration Period and does not timely revoke the Agreement before the Revocation Deadline; and (2) the Separation Date (the "**Effective Date**").

BY SIGNING BELOW, EXECUTIVE REPRESENTS AND WARRANTS THAT EXECUTIVE HAS FULL LEGAL CAPACITY TO ENTER INTO THIS AGREEMENT, EXECUTIVE HAS CAREFULLY READ AND UNDERSTANDS THIS AGREEMENT IN ITS ENTIRETY, HAS HAD A FULL OPPORTUNITY TO REVIEW THIS AGREEMENT WITH AN ATTORNEY OF EXECUTIVE'S CHOOSING, AND HAS EXECUTED THIS AGREEMENT VOLUNTARILY, WITHOUT DURESS, COERCION OR UNDUE INFLUENCE.

IN WITNESS WHEREOF, the undersigned, intending to be bound hereby, have agreed to the terms and conditions of this Agreement as of the date first set forth below.

EXECUTIVE

/s/ Ganesh M. Pattabiraman

Name: Ganesh M. Pattabiraman

Date: November 29, 2023

COMPANY

/s/ Gary Parsons

Name: Gary Parsons

Title: Chairman of the Board

Date: November 28, 2023

EXHIBIT A

ELECTION TO EXECUTE PRIOR TO EXPIRATION OF 21-DAY CONSIDERATION PERIOD

I, Ganesh M. Pattabiraman, understand that I have at least twenty-one (21) days within which to consider and execute the attached Confidential Separation, General Release and Post-Separation Consulting Agreement. However, after having an opportunity to consult counsel, I have freely and voluntarily elected to execute the Confidential Separation, General Release and Post-Separation Consulting Agreement before such twenty-one (21) day period has expired.

Dated: November 29, 2023

/s/ Ganesh M. Pattabiraman
Ganesh M. Pattabiraman

EXHIBIT B

SCOPE OF CONSULTANT SERVICES

Pursuant to Section 2(a) of the Confidential Separation, General Release and Post-Separation Consulting Agreement, Executive's Services shall include:

- Advisory services at the request of the CEO of the Company
- Assistance in government sales and lobbying at the request of the CEO of the Company
- Assistance in developing partnerships and business development activities at the request of the CEO of the Company
- Transition assistance in operational and technical matters, as identified by the CEO of the Company
- Other tasks or services which may be identified from time to time by the CEO

Rate: \$20,833.33 per month paid as of the first payroll date of each month. Executive will be reimbursed by the Company for all other expenses based on actuals incurred while performing the Services and based on invoices submitted and reimbursable pursuant to the Company's standard expense reimbursement policy.

Additional Term: The Consulting Term may only be extended by mutual agreement of the Parties.

EXHIBIT C EQUITY SUMMARY

Options

Grant	Grant Date	Total Amount	Vested(1)	Unvested (2)	Comment
OG371	1/27/2022	155,044	106,592	48,452	
230	3/15/2023	467,822	175,452	292,420	

RSU/RSA

RSU/RSA	Grant Date	Total Amount	Vested (1)	Unvested (2)	Comment (3)
2022	1/27/2022	89,041	61,215	27,826	
2023	3/15/2023	278,552	104,456	174,096	
Bonus	3/15/2023				Fully Vested
TIP	12/27/2021				Fully Vested
Legacy/RSA	10/28/2021				Fully Vested

1. Vested as of November 29, 2023
2. Continues vesting per agreement schedule (after the one year cliff), without a lapse in vesting schedule. For example, with respect to the March 15, 2023 RSU for 278,552 shares, 104,456 shares (1 year) will vest pursuant to this Agreement immediately after the Separation Date, and the remaining 174,096 shares will continue to vest pursuant to the schedule in the RSU agreement (after the one year cliff), with the first 17,410 shares (6.25%) vesting on December 15, 2023, and the remaining shares vesting every 3 months thereafter, subject to Executive's continued Service on the applicable vesting dates.
3. The number of shares for equity grants that are fully vested are not included.

NEXTNAV INC.
2021 OMNIBUS INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT COVER SHEET

NextNav Inc., a Delaware corporation (the "**Company**"), hereby grants performance-based restricted stock units (the "**PSUs**") relating to shares of the Company's common stock, par value \$0.0001 per share (the "**Stock**"), to the Grantee named below, subject to the vesting conditions set forth below. Additional terms and conditions of the PSUs are set forth on this cover sheet and in the attached Performance-Based Restricted Stock Unit Agreement (including all exhibits, schedules, and attachments thereto, together, the "**Agreement**") and in the NextNav Inc. 2021 Omnibus Incentive Plan (as it has been or may be amended and/or restated from time to time, the "**Plan**").

Grant Date: _____

Name of Grantee: _____

Target Number of Shares of
Stock Covered by the PSUs: _____

Maximum Number of Shares
of Stock Covered by the
PSUs: _____

Performance Period: _____

By your electronic acknowledgement of this Agreement, you agree to all of the terms and conditions described in the Agreement and in the Plan (a copy of which has been made available to you and will be provided on request). You acknowledge that you have carefully reviewed the Plan and agree that the Plan shall control in the event any provision of this Agreement should appear to be inconsistent with the Plan. You must accept your award no later than 5 pm Eastern Time, five (5) business days prior to the Vesting Date (as defined in the Agreement) or your entire award will be cancelled.

Grantee: _____ Date: _____
(Signature)

Company: _____ Date: _____
(Signature)

Name: _____

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.

NEXTNAV INC.
2021 OMNIBUS INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

Performance-Based Restricted Stock Units	<p>This Agreement evidences an award of PSUs in the number set forth on the cover sheet and subject to the terms and conditions set forth in the Agreement and the Plan</p>
Vesting	<p>The number of PSUs, if any, that vest pursuant to the terms of this Agreement will be calculated based on the attainment, as determined by the Committee, of the performance measures described in Exhibit A to this Agreement (the "Performance Measures") during the Performance Period set forth on the cover sheet of this Agreement, which number of PSUs may be equal to all or a portion, including none, of the Maximum Number of Shares of Stock Covered by the PSUs, as set forth on the cover sheet of this Agreement.</p> <p>The PSUs will vest on the first date during the Performance Period on which the Performance Measures are satisfied in full (the "Vesting Date"), subject to your continued Service from the Grant Date set forth on the cover sheet of the Agreement through such Vesting Date.</p> <p>Any resulting fractional shares will be rounded to the nearest whole share and shall be rounded up or down as necessary as of the last applicable vesting date; provided, in all cases, you cannot vest in more than the Maximum Number of Shares of Stock Covered by the PSUs, as set forth on the cover sheet of this Agreement. No PSUs will vest after your Service has terminated for any reason.</p>
Leaves of Absence	<p>For purposes of this Agreement, your Service does not terminate when you go on a <i>bona fide</i> leave of absence that was approved by your employer in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Laws. Your Service terminates in any event when the approved leave ends unless you immediately return to active employee work.</p> <p>Your employer may determine, in its discretion, which leaves count for this purpose and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan. Notwithstanding the foregoing, the Company may determine, in its discretion, that a leave counts for this purpose even if your employer does not agree.</p>
Forfeiture of Unvested PSUs	<p>If the Performance Measures are not achieved during the Performance Period, you will immediately and automatically forfeit all of your unvested PSUs as of the end of the Performance Period.</p> <p>Unless the termination of your Service triggers accelerated vesting or other treatment of your PSUs pursuant to the terms of this Agreement, the Plan, a written employment or other written compensatory agreement between you and the Company or an Affiliate, or a written compensatory program or policy of the Company or an Affiliate otherwise applicable to you, you will immediately and automatically forfeit to the Company all of your unvested PSUs in the event your Service terminates for any reason.</p>
Forfeiture of Rights	<p>You understand and agree that if the Company, acting through the Committee, determines that you engaged in Conduct Detrimental to the Company during your Service or during the twelve (12)-month period following the termination of your Service, (i) your unvested PSUs shall immediately and automatically expire; and (ii) if you have vested in any PSUs during the twelve (12)-month period prior to your actions, you will owe the Company a cash payment (or forfeiture of shares of Stock) in an amount determined as follows: (a) for any shares of Stock that you have sold prior to receiving notice of the foregoing determination from the Company, the amount will be the proceeds received from any and all sales of those shares of Stock, and (b) for any shares of Stock that you still own, the amount will be the number of shares of Stock owned times the Fair Market Value of the shares of Stock on the date you receive such notice from the Company (provided, that the Company may require you to satisfy your payment obligations hereunder either by forfeiting and returning to the Company the shares or any other shares of Stock or making a cash payment or a combination of these methods as determined by the Company in its sole discretion). You understand and agree that the forfeiture and/or repayment under this Agreement is separate from and does not preclude the Company from seeking relief based on your conduct that constitutes Conduct Detrimental to the Company.</p> <p>For purposes of this provision, "Conduct Detrimental to the Company" means:</p> <ul style="list-style-type: none">(i) You breach your obligations to the Company or an Affiliate under any of your written agreements with the Company or an Affiliate; or(ii) You engage in Conflicting Activities (as defined below).

For purposes of this Agreement, "Conflicting Activities" means, without advance, express, written consent of the Company:

- (i) You work or perform services (including contract, consulting, or advisory services) for a Direct Competitor in any geographic area where the Company or an Affiliate materially conducts business, if your services are similar in any material way to the services you performed for the Company or an Affiliate in the twelve (12) months preceding the termination of your Service;
- (ii) Except for communications made on behalf of the Company or an Affiliate in the scope of your Service, you advise, assist, attempt to influence or otherwise induce or persuade (or assist any other person in advertising, attempting to influence or otherwise induce or persuade) any person employed by the Company or an Affiliate to end such employment with the Company or an Affiliate; or
- (iii) You solicit, divert, take away, or attempt to solicit, divert or take away, directly or by assistance of others, any business from the Company's clients or customers, including actively sought clients or customers, with whom you have or have had material contact during your Service for purposes of providing products or services that are competitive with those provided by the Company.

For purposes of this Agreement, the term "**Direct Competitor**" means any entity or other business concern that offers or plans to offer products or services that are materially competitive with any of the position, navigation, and/or timing products or services being manufactured, offered, marketed, or actively developed by the Company as of the date your Service ends.

You understand and agree that neither this provision nor any other provision of this Agreement prohibits you from engaging in Conflicting Activities but only requires the forfeiture and/or repayment as set forth herein if you engage in Conflicting Activities. If you desire to engage in Conflicting Activities, you agree to seek written consent from the Company prior to engaging in the Conflicting Activities. If you enter into any business, employment, or service relationship during your Service or within the twelve (12) months following the termination of your Service, you agree to provide the Company sufficient information regarding the relationship to enable the Company to determine whether that relationship constitutes Conflicting Activities. You agree to provide such information within five (5) business days after entering into the business, employment, or service relationship.

Delivery Delivery of the shares of Stock represented by your vested PSUs shall be made as soon as practicable after the date on which your PSUs vest and, in any event, by no later than sixty (60) days following the Vesting Date.

Evidence of Issuance The issuance of the shares of Stock with respect to the vested PSUs shall be evidenced in such a manner as the Company, in its discretion, deems appropriate, including, without limitation, by (i) book-entry registration or (ii) issuance of one or more share certificates.

Withholding You agree as a condition of this Agreement that you will make acceptable arrangements to pay any withholding or other taxes that may be due relating to the PSUs or the issuance of shares of Stock with respect to the vested PSUs. In the event that the Company or any Affiliate determines that any federal, state, local, or foreign tax or withholding payment is required relating to the PSUs or the issuance of shares of Stock with respect to the vested PSUs, the Company or any Affiliate shall have the right, in the Committee's discretion, to (i) require you to tender a cash payment, (ii) deduct the tax or withholding payment from payments of any kind otherwise due to you, (iii) permit or require you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "**FINRA Dealer**"), whereby you irrevocably elect to sell a portion of the shares of Stock to be delivered in connection with the vested PSUs to satisfy withholding obligations and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the withholding obligations directly to the Company or any Affiliate, or (iv) withhold the delivery of vested shares of Stock otherwise deliverable under this Agreement to meet such obligations, provided that, to the extent required to avoid adverse accounting consequences to the Company, the shares of Stock so withheld will have an aggregate Fair Market Value not exceeding the minimum amount of tax required to be withheld by Applicable Laws.

You agree that the Company or any Affiliate shall be entitled to use whatever method it may deem appropriate to recover such taxes. You further agree that the Company or any Affiliate may, as it reasonably considers necessary, amend or vary this Agreement to facilitate such recovery of taxes.

Transferability	Your PSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise encumbered, whether by operation of law or otherwise, nor may the PSUs be made subject to execution, attachment, or similar process. If you attempt to do any of these things, you will immediately and automatically forfeit your PSUs.
Trading Restrictions	In the event that (i) any shares covered by your vested PSUs are scheduled to be delivered on a date (the "Original Distribution Date") that does not occur: (A) during an open "window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities (the " Policy "); (B) on a date on which you are permitted to sell shares of Stock pursuant to a written plan that meets the requirements of Rule 10b5-1 under the Exchange Act, as determined by the Company in accordance with the Policy; or (C) on a date when you are otherwise permitted to sell shares of Stock on the open market, and (ii) the Company elects not to satisfy its tax withholding obligations by withholding shares from the shares otherwise deliverable, withholding from other compensation otherwise payable to you by the Company or its Affiliates, or by permitting you to pay your withholding taxes in cash, then such shares will not be delivered on such Original Distribution Date and will instead be delivered as of the earlier of (1) the first date you are not subject to any such policy or restriction and (2) the later of (I) the last day of the calendar year in which such distribution would otherwise have been made, and (II) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder.
Stockholder Rights	You have no rights as a stockholder with respect to the PSUs unless and until shares of Stock relating to the vested PSUs have been issued to you and either a certificate evidencing your Stock has been issued or an appropriate entry has been made on the Company's books. No adjustments to your Stock shall be made for dividends, distributions, or other rights on or with respect to the Stock generally if the applicable record date for any such dividend, distribution, or right occurs before your certificate is issued (or an appropriate book entry is made), except as described in the Plan. You may at any time obtain a copy of the prospectus related to your Award pursuant to this Agreement by accessing the prospectus at 484 Oakmead Parkway, Sunnyvale, CA 94085. Additionally, you may receive a paper copy of the prospectus free of charge from the Company by contacting Ashish Fanse, 484 Oakmead Parkway, Sunnyvale, CA 94085, (408) 400-7827, afanse@nextanv.com .
No Right to Continued Employment or Other Service	This Agreement and the PSUs evidenced by this Agreement do not give you the right to expectation of employment or other Service by, or to continue in the employment or other Service of, the Company or any Affiliate. Unless otherwise specified in a written employment or other written compensatory agreement between you and the Company or an Affiliate, the Company or any Affiliate, as applicable, reserves the right to terminate your employment or other Service relationship with the Company or an Affiliate at any time and for any reason.
Corporate Activity	Your PSUs shall be subject to the terms of any applicable agreement of merger, liquidation, or reorganization in the event the Company is subject to such corporate activity, consistent with Section 16 of the Plan.
Clawback	The PSUs are subject to mandatory repayment by you to the Company in the circumstances specified in the Plan, including to the extent you are or in the future become subject to any Company "clawback" or recoupment policy or Applicable Laws that require the repayment by you to the Company of compensation paid by the Company to you in the event that you fail to comply with, or violate, the terms or requirements of such policy or Applicable Laws.
Governing Law & Venue	<p>You understand and agree that the Company is a Delaware corporation and that your PSUs may be part of a contemporaneous grant of many similar awards to individuals located in numerous jurisdictions. You agree that this Agreement and the Plan shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, United States of America, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of any other jurisdiction.</p> <p>The exclusive venue for any and all disputes arising out of or in connection with this Agreement shall be New Castle County, Delaware, United States of America, and the courts sitting exclusively in New Castle County, Delaware, United States of America shall have exclusive jurisdiction to adjudicate such disputes. Each party hereby expressly consents to the exercise of jurisdiction by such courts and hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to such laying of venue (including the defense of inconvenient forum).</p>
Compliance with Foreign Exchange Laws	Local foreign exchange laws may affect your PSUs or the vesting of your PSUs. You are responsible for obtaining any exchange control approval that may be required in connection with such events. Neither the Company nor any of its Affiliates will be responsible for obtaining such approvals or liable for the failure on your part to obtain or abide by such approvals. This statement does not constitute legal or tax advice upon which you should rely. You should consult with your personal legal and tax advisers to ensure your compliance with local laws. You agree to comply with all Applicable Laws and pay any and all applicable taxes associated with the grant or vesting of the PSUs.

The Plan

The text of the Plan is incorporated into this Agreement by reference.

Certain capitalized terms used in this Agreement are defined in the Plan and have the meaning set forth in the Plan .

This Agreement and the Plan constitute the entire understanding between you and the Company regarding the PSUs. Any prior agreements, commitments, or negotiations concerning the PSUs are superseded, except that any written employment, consulting, confidentiality, non-competition, non-solicitation, and/or severance agreement between you and the Company or an Affiliate, as applicable, shall supersede this Agreement with respect to its subject matter.

Disclaimer of Rights

The grant of PSUs under this Agreement will in no way be interpreted to require the Company to transfer any amounts to a third-party trustee or otherwise hold any amounts in trust or escrow for payment to you. You will have no rights under this Agreement or the Plan other than those of a general unsecured creditor of the Company. PSUs represent unfunded and unsecured obligations of the Company, subject to the terms and conditions of the Plan and this Agreement.

Data Privacy

As a condition of the grant of the PSUs, you consent to the collection, use, and transfer of personal data as described in this paragraph. You understand that the Company and its Affiliates hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number or equivalent, salary, nationality, job title, ownership interests or directorships held in the Company or its Affiliates, and details of all equity awards or other entitlements to shares of Stock awarded, cancelled, exercised, vested or unvested ("**Data**"). You further understand that the Company and its Affiliates will transfer Data amongst themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company and any of its Affiliates may each further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan. You understand that these recipients may be located in the European Economic Area or elsewhere, such as the United States. You authorize them to receive, possess, use, retain, and transfer such Data as may be required for the administration of the Plan or the subsequent holding of shares of Stock on your behalf, in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any requisite transfer to a broker or other third party with whom you may elect to deposit any shares of Stock acquired under the Plan. You understand that you may, at any time, view such Data or require any necessary amendments to the Data.

Notice Delivery

By accepting the PSUs, you agree that notices may be given to you in writing either at your home or mailing address as shown in the records of the Company or an Affiliate or by electronic transmission (including e-mail or reference to a website or other URL) sent to you through the normal process employed by the Company or the Affiliate, as applicable, for communicating electronically with its employees.

Code Section 409A

The grant of PSUs under this Agreement is intended to comply with the short- term deferral exemption from Code Section 409A ("Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance with the exemption. Notwithstanding anything to the contrary in the Plan or this Agreement, none of the Company, its Affiliates, the Board, or the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Section 409A, and none of the Company, its Affiliates, the Board, or the Committee will have any liability to you for such tax or penalty.

To the extent that the PSUs constitute "deferred compensation" under Section 409A, a termination of Service occurs only upon an event that would be a Separation from Service within the meaning of Section 409A. If, at the time of your Separation from Service, (i) you are a "specified employee" within the meaning of Section 409A, and (ii) the Company makes a good faith determination that an amount payable on account of your Separation from Service constitutes deferred compensation (within the meaning of Section 409A), the payment of which is required to be delayed pursuant to the six (6)- month delay rule set forth in Section 409A to avoid taxes or penalties under Section 409A (the "**Delay Period**"), then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it in a lump sum on the first business day after the Delay Period (or upon your death, if earlier), without interest. Each installment of PSUs that vests under this Agreement (if there is more than one installment) will be considered one of a series of separate payments for purposes of Section 409A.

By accepting this Agreement, you agree to all of the terms and conditions described above and in the Plan.

EXHIBIT A
PERFORMANCE MEASURES

NEXTNAV INC.
LIST OF SUBSIDIARIES

Name of Subsidiary	State or Other Jurisdiction of Incorporation or Organization
Spartacus 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	Delaware
CommLabs, Inc.	Delaware
CommLabs Technology Centre Private Limited	Bangalore, India
NextNav France, SAS	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.;

of our report dated March 13, 2024, 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, 2023.

/s/ Ernst and Young LLP

Tysons, Virginia
March 13, 2024

**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 13, 2024

/s/ Mariam Sorond

Name: Mariam Sorond

Title: President and Chief Executive Officer

**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 13, 2024

/s/ Christian D. Gates

Name: Christian D. Gates

Title: Chief Financial Officer

**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, 2023, 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 13, 2024

/s/ Mariam Sorond

Name: Mariam Sorond

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

Dated: March 13, 2024

/s/ Christian D. Gates

Name: Christian D. Gates

Title: Chief Financial Officer
(Principal Financial Officer)

NEXTNAV CLAWBACK POLICY

I. POLICY

As a matter of Policy:

In the event that the NextNav Inc. (the "**Company**") is required to prepare an Accounting Restatement except as otherwise set forth in this Policy, the Company shall recover, reasonably promptly, the Excess Incentive Compensation received by any Covered Executive during the Recoupment Period.

1. Application of the Policy

This Policy applies to all Incentive Compensation received during the Recoupment Period by a person (a) after beginning service as a Covered Executive, (b) who served as a Covered Executive at any time during the performance period for that Incentive Compensation and (c) while the Company has a class of securities listed on the Nasdaq Stock Market LLC ("**Nasdaq**") or another national securities exchange or association. This Policy may therefore apply to a Covered Executive even after that person is no longer a Company employee or a Covered Executive at the time of recovery.

Incentive Compensation is deemed "received" for purposes of this Policy in the fiscal period during which the financial reporting measure specified in the Incentive Compensation award is attained, even if the payment or issuance of such Incentive Compensation occurs after the end of that period. For example, if the performance target for an award is based on total stockholder return for the year ended December 31, 2023, the award will be deemed to have been received in 2023 even if paid in 2024.

The Compensation Committee and Human Capital Committee of the NextNav Board of Directors (the "**Committee**") has the authority to determine the appropriate means of recovering Excess Incentive Compensation based on the particular facts and circumstances, which could include, but is not limited to, seeking direct reimbursement, forfeiture of awards, offsets against other payments, and forfeiture of deferred compensation (subject to compliance with Section 409A of the Internal Revenue Code). Notwithstanding the foregoing, pursuant the requirements and prohibitions of applicable law and the facts of a particular matter being reviewed under this Policy, the Board of Directors may act to have the independent directors of the Board administer this Policy in place of the Committee.

Subject to any limitations under applicable law, the Committee may authorize any officer or employee of the Company to take actions necessary or appropriate to carry out the purpose and intent of this Policy, provided that no such authorization shall relate to any recovery under this Policy that involves such officer or employee.

If the Committee cannot determine the amount of excess Incentive Compensation received by a Covered Executive directly from the information in the Accounting Restatement, such as in the case of Incentive Compensation tied to stock price or total stockholder return, then it shall make its determination based on its reasonable estimate of the effect of the Accounting Restatement and shall maintain documentation of such determination, including for purposes of providing such documentation to Nasdaq.

Exceptions

The Company is not required to recover Excess Incentive Compensation pursuant to this Policy to the extent the Committee determines that recovery would be impracticable for one of the following reasons (and the applicable procedural requirements are met):

- (a) after making a reasonable and documented attempt to recover the Excess Incentive Compensation, which documentation will be provided to Nasdaq to the extent required, the Committee determines that the direct expenses that would be paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered;
- (b) based on a legal opinion of counsel acceptable to the Nasdaq, the Committee determines that recovery would violate a home country law adopted prior to November 28, 2022; or
- (c) the Committee determines that recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

2. No Indemnification or Advancement of Legal Fees

Notwithstanding the terms of any indemnification agreement, insurance policy, contractual arrangement, the governing documents of the Company or other document or arrangement, the Company shall not indemnify any Covered Executive against, or pay the premiums for any insurance policy to cover, any amounts recovered under this Policy or any expenses that a Covered Executive incurs in opposing Company efforts to recoup amounts pursuant to the Policy.

3. Non-Exclusive Remedy; Successors

Recovery of Incentive Compensation pursuant to this Policy shall not in any way limit or affect the rights of the Company to pursue disciplinary, legal, or other action or pursue any other remedies available to it. This Policy shall be in addition to, and is not intended to limit, any rights of the Company to recover Incentive Compensation from Covered Executives under any legal remedy available to the Company and applicable laws and regulations, including but not limited to the Sarbanes-Oxley Act of 2002, as amended, or pursuant to the terms of any other Company policy, employment agreement, equity award agreement, or similar agreement with a Covered Executive.

II. TO WHOM THIS POLICY APPLIES

This Policy covers any Covered Executive and their successors, beneficiaries, heirs, executors, administrators, or other legal representatives.

III. ACCOUNTABLE OFFICER

The Chief Financial Officer is the "Accountable Officer" for management and administration of this Policy. The Compensation and Human Capital Committee of the Board of Directors shall have oversight of the management and administration of this Policy, and shall undertake the roles and responsibilities as set forth in the Policy and as otherwise required by applicable law and regulation.

IV. DEFINITIONS

"Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. For the avoidance of doubt, a restatement resulting solely from the retrospective application of a change in generally accepted accounting principles is not an Accounting Restatement.

"Covered Executive" means the Company's Chief Executive Officer, President, Chief Financial Officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function, any other officer who performs a policy-making function for the Company, any other person who performs similar policy-making functions for the Company.

"Excess Incentive Compensation" means the amount of Incentive Compensation received during the Recoupment Period by any Covered Executive that exceeds the amount of Incentive Compensation that otherwise would have been received by such Covered Executive if the determination of the Incentive Compensation to be received had been determined based on restated amounts in the Accounting Restatement and without regard to any taxes paid.

"Incentive Compensation" means any compensation, including cash and equity compensation, which is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure. For purposes of this definition, a *"financial reporting measure"* is (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measure derived wholly or in part from such measures, or (ii) the Company's stock price and/or total shareholder return. A financial reporting measure need not be presented within the financial statements or included in a filing with the commission.

"Recoupment Period" means the three completed fiscal years preceding the Trigger Date, and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years, provided that any transition period of nine months or more shall count as a full fiscal year.

"Trigger Date" means the earlier to occur of: (a) the date the Board of Directors, the Audit Committee, or such other Committee of the Board as may be authorized to make such a conclusion, or the officer or officers of the Company authorized to take such action if action by the Board of Directors is not required, concludes or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement; in the case of both (a) and (b) regardless of if or when restated financial statements are filed.
