

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

FORM 10-Q

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

For the quarterly period ended September 30, 2024

OR

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

For the transition period from _____ to _____

Commission File Number: **001-40985**

NextNav Inc.

(Exact name of registrant as specified in its charter)

Delaware

87-0854654

(State or other jurisdiction of
incorporation or organization)

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

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

20190

(Address of principal executive offices)

(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, par value \$0.0001 per share	NN	The Nasdaq Capital Market
Warrants, each to purchase one share of Common Stock	NNAVW	The Nasdaq Capital Market

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

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

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

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

There were 128,864,792 shares of the registrant's common stock outstanding as of November 8, 2024.

NEXTNAN INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to "NextNav," the "Company," "we," "us," and "our" include NextNav Inc. and its subsidiaries.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q 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," "anticipate," "believe," "expect," "intend," "might," "plan," "possible," "potential," "aim," "strive," "predict," "project," "should," "could," "would," "will" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements may relate to, but are not limited to: expectations regarding our strategies and future financial performance, including future business plans or objectives, expected functionality of our geolocation services, anticipated timing and level of deployment of our services, including our TerraPoiNT and NextGen systems, anticipated demand and acceptance of our services, prospective performance and commercial opportunities and competitors, the timing of obtaining regulatory approvals, the achievement of certain Federal Communications Commission ("FCC") related milestones and FCC approvals, including with respect to the Asset Purchase Agreement, dated as of March 7, 2024, we entered into with Telesaurus Holdings GP and Skybridge Spectrum Foundation, to acquire certain Multilateration Location and Monitoring Services licenses, and the Company's petition for rulemaking filed with the FCC, 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; our ability to evolve our technology to be compatible with 5G New Radio technologies, and realize the technical benefits of such proposed evolution; our ability to realize the anticipated technical and business benefits associated with the acquisition of NextNav France, 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; 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, Inc., and expectations about other international markets; our belief that continuing integration of our Pinnacle service into devices and applications will support revenue growth over the coming year; projections of market growth and size, including the level of market acceptance for our services; our ability to adequately protect key intellectual property rights or proprietary technology; our ability to maintain our Location and Monitoring Service ("LMS") licenses and obtain additional LMS licenses as necessary; 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 and our ability to meet longer term expected future cash requirements and obligations; our ability to develop and maintain effective internal controls; our success in recruiting and/or retaining officers, key employees or directors; expansion plans and opportunities; costs related to being a public company; our ability to maintain the listing of our securities on Nasdaq; macroeconomic factors and their effects on our operations; and the outcome of any known and unknown litigation and regulatory proceedings, as well as assumptions relating to the foregoing.

Forward-looking statements are based on information available as of the date of this quarterly report on Form 10-Q, 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.

For additional information regarding risk factors, see Part II, Item 1A, "Risk Factors" of this quarterly report on Form 10-Q, and Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, as well as those otherwise described or updated from time to time in our other filings with the Securities and Exchange Commission (the "SEC").

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

NEXTNAV INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	<u>September 30, 2024 (unaudited)</u>	<u>December 31, 2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 67,905	\$ 81,878
Short term investments	18,865	3,954
Accounts receivable	2,235	2,332
Other current assets	15,393	3,056
Total current assets	<u>\$ 104,398</u>	<u>\$ 91,220</u>
Network under construction	1,678	1,676
Property and equipment, net of accumulated depreciation of \$12,713 and \$9,724 at September 30, 2024 and December 31, 2023, respectively	17,261	19,885
Operating lease right-of-use assets	18,640	19,267
Goodwill	18,185	17,977
Intangible assets	10,179	10,625
Other assets	1,331	1,508
Total assets	<u><u>\$ 171,672</u></u>	<u><u>\$ 162,158</u></u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 918	\$ 391
Accrued expenses and other current liabilities	17,059	6,592
Operating lease current liabilities	2,542	2,523
Deferred revenue	303	297
Total current liabilities	<u>\$ 20,822</u>	<u>\$ 9,803</u>
Warrants	15,053	7,053
Operating lease noncurrent liabilities	15,377	15,145
Other long-term liabilities	1,875	1,614
Long term debt, net of debt issuance cost and discount	52,974	48,447
Total liabilities	<u><u>\$ 106,101</u></u>	<u><u>\$ 82,062</u></u>
Stockholders' equity:		
Common stock, authorized 500,000,000 shares; 127,677,549 and 111,261,434 shares issued and 127,545,321 and 111,132,222 shares outstanding at September 30, 2024 and December 31, 2023, respectively	14	12
Additional paid-in capital	893,584	837,416
Accumulated other comprehensive income	2,502	2,198
Accumulated deficit	(829,836)	(760,227)
Common stock in treasury, at cost; 132,228 and 129,212 shares at September 30, 2024 and December 31, 2023, respectively	(693)	(665)
Total stockholders' equity	<u><u>\$ 65,571</u></u>	<u><u>\$ 78,734</u></u>
Non-controlling interests	—	1,362
Total liabilities and stockholders' equity	<u><u>\$ 171,672</u></u>	<u><u>\$ 162,158</u></u>

See accompanying notes.

NEXTPHAR INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 1,607	\$ 1,027	\$ 3,758	\$ 2,657
Operating expenses:				
Cost of goods sold (exclusive of depreciation and amortization)	2,585	3,232	8,270	9,397
Research and development	3,545	5,007	12,325	14,579
Selling, general and administrative	8,016	6,152	24,570	18,722
Depreciation and amortization	1,313	1,256	3,926	3,559
Total operating expenses	\$ 15,459	\$ 15,647	\$ 49,091	\$ 46,257
Operating loss	\$ (13,852)	\$ (14,620)	\$ (45,333)	\$ (43,600)
Other income (expense):				
Interest expense, net	(2,217)	(1,740)	(6,706)	(1,614)
Change in fair value of warrants	2,143	(6,737)	(19,523)	(9,800)
Other income (loss), net	343	(99)	2,091	(166)
Loss before income taxes	\$ (13,583)	\$ (23,196)	\$ (69,471)	\$ (55,180)
Provision for income taxes	26	24	138	159
Net loss	\$ (13,609)	\$ (23,220)	\$ (69,609)	\$ (55,339)
Foreign currency translation adjustment	1,005	(670)	304	(218)
Comprehensive loss	\$ (12,604)	\$ (23,890)	\$ (69,305)	\$ (55,557)
Net loss	\$ (13,609)	\$ (23,220)	\$ (69,609)	\$ (55,339)
Net loss attributable to common stockholders	\$ (13,609)	\$ (23,220)	\$ (69,609)	\$ (55,339)
Weighted average of shares outstanding – basic and diluted	126,429	108,045	118,978	107,504
Net loss attributable to common stockholders per share - basic and diluted	\$ (0.11)	\$ (0.21)	\$ (0.59)	\$ (0.51)

See accompanying notes.

NEXTNAN INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE DATA)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Other Comprehensive Income	Treasury stock, at cost	Stockholders' Equity	Non- controlling interests	Total Equity
	Shares	Value							
Balance, December 31, 2023	111,132,222	\$ 12	\$ 837,416	\$ (760,227)	\$ 2,198	\$ (665)	\$ 78,734	\$ 1,362	\$ 80,096
Vesting of RSUs	1,226,498	—	—	—	—	—	—	—	—
Issuance of RSAs	38,130	—	—	—	—	—	—	—	—
Exercise of common stock options	186,074	—	544	—	—	—	544	—	544
Reclassification of warrant liability to common stock warrants	—	—	2,468	—	—	—	2,468	—	2,468
Stock-based compensation expense	—	—	6,293	—	—	—	6,293	—	6,293
Net loss	—	—	—	(31,610)	—	—	(31,610)	—	(31,610)
Foreign currency translation adjustment	—	—	—	—	(522)	—	(522)	—	(522)
Balance, March 31, 2024	112,582,924	\$ 12	\$ 846,721	\$ (791,837)	\$ 1,676	\$ (665)	\$ 55,907	\$ 1,362	\$ 57,269
Vesting of RSUs	294,589	1	—	—	—	—	1	—	1
Issuance of RSAs	231,323	—	—	—	—	—	—	—	—
Exercise of common stock options	438,118	—	1,106	—	—	—	1,106	—	1,106
Reclassification of warrant liability to common stock warrants	—	—	4,308	—	—	—	4,308	—	4,308
Stock-based compensation expense	—	—	2,792	—	—	—	2,792	—	2,792
Exercise of common warrants	9,738,930	1	21,035	—	—	—	21,036	—	21,036
Interest payment through issuance of shares of common stock	237,722	—	1,867	—	—	—	1,867	—	1,867
Redemption of non-controlling interests	397,037	—	1,429	—	—	—	1,429	(1,362)	67
Shares of Common Stock received from settlement of employee receivables	(3,016)	—	—	—	—	(28)	(28)	—	(28)
Net loss	—	—	—	(24,390)	—	—	(24,390)	—	(24,390)
Foreign currency translation adjustment	—	—	—	—	(179)	—	(179)	—	(179)
Balance, June 30, 2024	123,917,627	\$ 14	\$ 879,258	\$ (816,227)	\$ 1,497	\$ (693)	\$ 63,849	\$ —	\$ 63,849
Vesting of RSUs	243,481	—	—	—	—	—	—	—	—
Exercise of common stock options	207,977	—	232	—	—	—	232	—	232
Exercise of common warrants	3,176,236	—	6,860	—	—	—	6,860	—	6,860
Reclassification of warrant liability to common stock warrants	—	—	4,747	—	—	—	4,747	—	4,747
Stock-based compensation expense	—	—	2,487	—	—	—	2,487	—	2,487
Net loss	—	—	—	(13,609)	—	—	(13,609)	—	(13,609)
Foreign currency translation adjustment	—	—	—	—	1,005	—	1,005	—	1,005
Balance, September 30, 2024	127,545,321	\$ 14	\$ 893,584	\$ (829,836)	\$ 2,502	\$ (693)	\$ 65,571	\$ —	\$ 65,571

See accompanying notes.

NEXTNAV INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE DATA)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Other Comprehensive (Loss)	Treasury stock, at cost	Stockholders' Equity	Non-controlling interests	Total Equity
	Shares	Value							
Balance, December 31, 2022	106,417,265	\$ 12	\$ 787,130	\$ (688,492)	\$ 1,371	\$ (4)	\$ 100,017	\$ 3,847	\$ 103,864
Vesting of RSUs	619,387	—	—	—	—	—	—	—	—
Issuance of RSAs	27,744	—	—	—	—	—	—	—	—
Exercise of common stock options	91,258	—	25	—	—	—	25	—	25
Stock-based compensation expense	—	—	4,548	—	—	—	4,548	—	4,548
Net loss	—	—	—	(16,349)	—	—	(16,349)	—	(16,349)
Foreign currency translation adjustment	—	—	—	—	432	—	432	—	432
Balance, March 31, 2023	107,155,654	\$ 12	\$ 791,703	\$ (704,841)	\$ 1,803	\$ (4)	\$ 88,673	\$ 3,847	\$ 92,520
Vesting of RSUs	605,975	—	—	—	—	—	—	—	—
Issuance of RSAs	376,325	—	—	—	—	—	—	—	—
Exercise of common stock options	46,583	—	13	—	—	—	13	—	13
Stock-based compensation expense	—	—	3,697	—	—	—	3,697	—	3,697
Issuance of common warrants	—	—	14,598	—	—	—	14,598	—	14,598
Net loss	—	—	—	(15,770)	—	—	(15,770)	—	(15,770)
Foreign currency translation adjustment	—	—	—	—	20	—	20	—	20
Balance, June 30, 2023	108,184,537	\$ 12	\$ 810,011	\$ (720,611)	\$ 1,823	\$ (4)	\$ 91,231	\$ 3,847	\$ 95,078
Vesting of RSUs	260,215	—	—	—	—	—	—	—	—
Issuance of RSAs	24,500	—	—	—	—	—	—	—	—
Exercise of common stock options	98,829	—	28	—	—	—	28	—	28
Exercise of common warrants	408,231	—	882	—	—	—	882	—	882
Stock-based compensation expense	—	—	3,762	—	—	—	3,762	—	3,762
Issuance of common warrants	—	—	8,245	—	—	—	8,245	—	8,245
Net loss	—	—	—	(23,220)	—	—	(23,220)	—	(23,220)
Foreign currency translation adjustment	—	—	—	—	(670)	—	(670)	—	(670)
Balance, September 30, 2023	108,976,312	\$ 12	\$ 822,928	\$ (743,831)	\$ 1,153	\$ (4)	\$ 80,258	\$ 3,847	\$ 84,105

See accompanying notes.

NEXTPHAR INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS)

	Nine Months Ended September 30,	
	2024	2023
Operating activities		
Net loss	\$ (69,609)	\$ (55,339)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,926	3,559
Equity-based compensation	11,162	12,643
Change in fair value of warranty liability	19,523	9,800
Change in fair value of asset purchase agreement liability	(2,217)	—
Realized and unrealized gain on short term investments	(517)	(501)
Equity method investment loss	118	157
Asset retirement obligation accretion	51	51
Amortization of debt discount	4,526	1,771
Changes in operating assets and liabilities:		
Accounts receivable	97	(569)
Other current assets	269	1,246
Other assets	60	84
Accounts payable	527	(102)
Deferred revenue	6	(23)
Accrued expenses and other liabilities	5,144	2,140
Operating lease right-of-use assets and liabilities	874	476
Net cash used in operating activities	<hr/> \$ (26,060)	<hr/> \$ (24,607)
Investing activities		
Capitalization of costs and purchases of network assets, property, and equipment	(182)	(2,541)
Purchase of internal use software	(354)	(708)
Purchase of marketable securities	(44,894)	(33,494)
Sale and maturity of marketable securities	30,500	35,249
Payment for asset purchase agreement liability	(2,732)	—
Net cash used in investing activities	<hr/> \$ (17,662)	<hr/> \$ (1,494)
Financing activities		
Proceeds from senior secured notes	—	70,000
Payments towards debt issuance cost	—	(1,861)
Payments towards debt	(82)	(82)
Proceeds from exercise of common warrants	27,896	882
Redemption of non-controlling interests	40	—
Proceeds from exercise of common stock options	1,882	66
Net cash provided by financing activities	<hr/> \$ 29,736	<hr/> \$ 69,005
Effect of exchange rates on cash and cash equivalents	13	(2)
Net (decrease) increase in cash and cash equivalents	(13,973)	42,902
Cash and cash equivalents at beginning of period	81,878	47,230
Cash and cash equivalents at end of period	<hr/> \$ 67,905	<hr/> \$ 90,132
Non-cash investing and financing information		
Capital expenditure included in Accrued expenses and other current liabilities	\$ 159	\$ 120
Issuance of warrants	\$ —	\$ 22,843
Interest paid in shares of Common Stock	\$ 1,867	\$ —

See accompanying notes.

NEXTNAV INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)
For the nine months ended September 30, 2024

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 designed to enable a high-quality, terrestrial complement and backup to the U.S. Global Positioning System ("GPS"). NextNav's solutions are built on a robust asset platform, including 8MHz of nearly nationwide wireless spectrum in the Lower 900MHz band, intellectual property and deployed network systems. The Company, subject to appropriate regulatory approvals, has signed an agreement to acquire licenses for an additional 4MHz of spectrum in the Lower 900MHz band. Additionally, on April 16, 2024, NextNav filed a petition for rulemaking with the Federal Communications Commission ("FCC") to update the Lower 900MHz band plan to utilize a 15MHz nationwide configuration for both PNT and 5G broadband (the "Petition"). The Petition is subject to an ongoing FCC regulatory review process, which includes the FCC's issuance of a Public Notice seeking comment concerning the Petition on August 24, 2024. The Company's Pinnacle system provides "floor-level" altitude service to any device with a barometric pressure sensor, including most off-the-shelf smartphones. The Company's TerraPoiNT and NextGen systems are designed to overcome the limitations inherent in the space-based systems through a network of wide area terrestrial location transmitters that broadcast a PNT signal over the Company's licensed spectrum, with NextGen intended to utilize standards-based 5G broadband technologies.

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 nine months ended September 30, 2024 and 2023, the Company incurred net losses of \$69.6 million and \$55.3 million, respectively. During the nine months ended September 30, 2024 and 2023, net cash used in operating activities was \$26.1 million and \$24.6 million, respectively. As of September 30, 2024, cash and cash equivalents and marketable securities was \$ 86.8 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 its PNT networks.

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 its cash and cash equivalents and marketable securities as of September 30, 2024 will be sufficient to meet its working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months from the filing of this Quarterly Report on Form 10-Q. 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 unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in these condensed consolidated financial statements.

Unaudited Interim Financial Information

The condensed consolidated financial statements as of September 30, 2024 are unaudited. These interim financial statements of NextNav have been prepared in accordance with U.S. General Accepted Accounting Principles ("GAAP") and SEC instructions for interim financial information and should be read in conjunction with NextNav's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"), which the Company filed with the SEC on March 13, 2024.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect, in management's opinion, all adjustments of a normal, recurring nature that are necessary for the fair statement of the Company's financial position as of September 30, 2024, results of operations for the three and nine months ended September 30, 2024 and 2023, and changes in stockholders' equity and cash flows for the nine months ended September 30, 2024 and 2023, but are not necessarily indicative of the results expected for the full fiscal year or any other period.

There have been no changes to the Company's significant accounting policies described in the 2023 Form 10-K that have had a material impact on these condensed consolidated financial statements and related notes.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain 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.

Cash and Cash Equivalents and Marketable Securities

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

The Company invests excess cash primarily in U.S. treasury bills, U.S. government and government agency bonds, and money market funds. The Company classifies all marketable securities that have stated maturities of three months or less from the date of purchase as cash equivalents, and those that have stated maturities of over three months as short-term investments on the Condensed Consolidated Balance Sheets. The Company determines the appropriate classification of investments in marketable securities at the time of purchase and reevaluates such designation at each balance sheet date. Marketable securities that are held for resale are classified as "trading securities" and are measured at fair value with the related gains and losses, including unrealized, recognized in interest expense, net. Marketable securities not classified as held to maturity or as trading securities are classified as "available-for-sale securities" and the fair value option ("FVO") was elected, for which related gains and losses, including unrealized gains and losses and interest, are recognized in interest expense, net. The FVO election allows the Company to account for the marketable securities at fair value, which is consistent with the manner in which the instruments are managed. For the nine months ended September 30, 2024, the Company recorded \$517 thousand of gains from fair value changes from FVO available-for-sale debt securities in interest expense, net in the Condensed Consolidated Statements of Comprehensive Loss. There were no debt securities classified as available-for-sale in 2023.

Revenue

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024		2023	
	(in thousands)		(in thousands)	
Commercial	\$ 1,084	\$ 945	\$ 3,225	\$ 2,565
Government contracts	523	5	533	15
Equipment sales	—	77	—	77
Total revenue	<u>\$ 1,607</u>	<u>\$ 1,027</u>	<u>\$ 3,758</u>	<u>\$ 2,657</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 September 30, 2024 and December 31, 2023, the Company's accounts receivable balances were comprised of \$2.2 million and \$2.3 million, respectively. The Company estimates losses on accounts receivable based on expected losses, including its historical experience of actual losses. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. As of September 30, 2024 and December 31, 2023, all accounts receivable balances were current and no allowances for doubtful accounts were recorded.

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 September 30, 2024 and December 31, 2023, the Company's contract liabilities were \$303 thousand and \$297 thousand, respectively, and are recorded in deferred revenue in the Condensed Consolidated Balance Sheets.

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 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Cost of goods sold	\$ 90	\$ 561	\$ 273	\$ 1,705
Research and development	1,032	1,843	3,672	5,201
Selling, general and administrative	2,144	2,003	7,217	5,737
Total stock-based compensation expense	\$ 3,266	\$ 4,407	\$ 11,162	\$ 12,643

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands, except per share amounts)		(in thousands, except per share amounts)	
Numerator				
Net loss attributable to common stockholders	\$ (13,609)	\$ (23,220)	\$ (69,609)	\$ (55,339)
Denominator				
Weighted average shares – basic and diluted	126,429	108,045	118,978	107,504
Basic and diluted loss per share	\$ (0.11)	\$ (0.21)	\$ (0.59)	\$ (0.51)

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:

Antidilutive Shares Excluded	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Warrants	31,353	44,268	31,353	44,268
Stock Options	4,199	3,667	4,199	3,667
Unvested Restricted Stock Units	5,159	3,500	5,159	3,500
Unvested Restricted Stock Awards	231	334	231	334

Equity Method Investment

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

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

The Company evaluates equity method investment for impairment based upon a comparison of the fair value of the equity method investment to its carrying value, when impairment indicators exist. If the Company determines a decline in the fair value of an equity method investment below its carrying value is other-than-temporary, an impairment is recorded.

Leases

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

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

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

Lease assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate, because the interest rate implicit in the Company's leases is not readily determinable. The Company's incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. Lease assets are reduced by landlord incentives, plus any direct costs from executing the leases or lease prepayments reclassified from "Other current assets" upon lease commencement. Operating lease expense is recognized on a straight-line basis over the lease term. Monthly rent expense includes any site related utility payments or other fees such as administrative or up-front fees contained in the lease agreements that are determinable upon execution of the lease agreement.

Acquired finite-lived intangible assets

Acquired finite-lived intangible assets primarily includes proprietary technology and software. See Note 4 — Intangibles.

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 three and nine months ended September 30, 2024 and for the year ended December 31, 2023. The following summarizes the Company's goodwill activities:

	Nine Months Ended September 30,	
	2024	2023
(in thousands)		
Beginning Balance	\$ 17,977	\$ 17,493
Changes in foreign exchange rates	208	(159)
Purchase price adjustment	—	(96)
Ending Balance	\$ 18,185	\$ 17,238

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.

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 condensed 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 interest in the Company's condensed consolidated financial statements represents the warrants for Nestwave, SAS (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 has not attributed any net loss to the non-controlling interests. During the three months ended June 30, 2024, 399,636 warrants, which represented all of the NextNav France shares that remained subject to warrants, were exercised and 397,037 shares of the Company's common stock were issued, resulting in redemption of non-controlling interests of \$ 1.4 million. No NextNav France shares subject to warrants are outstanding after such exercise.

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 Condensed 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 Condensed Consolidated Statements of Comprehensive Loss were immaterial for the three and nine months ended September 30, 2024 and 2023. The only component of other comprehensive loss is currency translation adjustments for all periods presented. No income tax expense was allocated to the currency translation adjustments.

Recent Accounting Developments Not Yet Adopted

During the fourth quarter of 2023, the Financial Accounting Standards Board issued two Accounting Standards Updates ("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 condensed consolidated financial statements.

3. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	September 30, 2024	December 31, 2023
	(in thousands)	
Accrued salary and other employee liabilities	\$ 4,310	\$ 3,913
Accrued legal and professional services	1,471	324
Accrued interest	2,333	583
Asset purchase agreement liability ⁽¹⁾	7,567	—
Other accrued liabilities	1,378	1,772
Total	\$ 17,059	\$ 6,592

⁽¹⁾ Refer to Note 5 to the Company's condensed consolidated financial statements for the three and nine months ended September 30, 2024 included elsewhere in this Quarterly Report on Form 10-Q for more information.

4. Intangibles

Intangible assets as of September 30, 2024 and December 31, 2023 consisted of following (in thousands):

	September 30, 2024			December 31, 2023		
	Gross Amount	Accumulated Amortization	Net Carrying Value	Gross Amount	Accumulated Amortization	Net Carrying Value
Indefinite-Lived intangible assets	\$ 3,467	\$ —	\$ 3,467	\$ 3,467	\$ —	\$ 3,467
Acquired Software	7,293	2,438	4,855	7,217	2,050	5,167
Acquired Technology	606	97	509	599	58	541
Internal Use Software	3,072	1,724	1,348	2,634	1,184	1,450
Total	\$ 14,438	\$ 4,259	\$ 10,179	\$ 13,917	\$ 3,292	\$ 10,625

The weighted average remaining useful lives of acquired software and acquired technology were 10.1 years as of September 30, 2024.

Amortization expense on intangibles assets was \$0.3 million for each of the three months ended September 30, 2024 and 2023. Amortization expense on intangibles assets was \$0.9 million and \$0.8 million for the nine months ended September 30, 2024 and 2023, respectively. Future amortization is expected as follows:

2024	\$ 288
2025	1,127
2026	945
2027	731
2028 and thereafter	3,621
	\$ 6,712

5. Asset Purchase Agreement

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

The consideration for the Transaction is payable as follows:

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

The Company subsequently received the Alameda Court Approval on March 28, 2024 and made the cash payment of \$ 2.5 million in April 2024. The Company has recognized the cash consideration of \$2.5 million within other current assets in the condensed consolidated balance sheet as of September 30, 2024. Further, the Company recorded a current liability and prepaid asset of \$ 9.8 million as of March 31, 2024 with respect to the fair value of shares expected to be issued (based on a 20-day volume weighted average price) equivalent to the \$ 7.5 million First Noncash Consideration, as the payment obligation is upon passage of time and is not contingent. During the three and nine months ended September 30, 2024, the Company reduced the First Noncash Consideration liability by \$0.3 million and \$2.2 million, respectively, and recorded the gain in other income (expenses) in the condensed consolidated statement of comprehensive loss. The reduction was due to the fair value adjustment of shares expected to be issued, based on a 20-day volume-weighted average price, equivalent to the \$ 7.5 million First Noncash Consideration. The fair value of the shares expected to be issued was determined based on non-observable pricing inputs in the market and is categorized accordingly as Level 3 in the fair value hierarchy. The Company accrues a loss contingency liability related to the nonrefundable prepayments if it is probable that the Transaction will be terminated or cancelled. As of September 30, 2024, management expects the Transaction to successfully complete, and no loss contingency liability was recorded.

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

6. Equity Method Investment

As of September 30, 2024, the Company's total ownership of MetCom Inc., a privately-owned Japanese joint stock company (kabushiki kaisha) ("MetCom"), consisted of 702,334 shares representing ownership of 14.8%. The Company provides licenses to its technology, infrastructure and subscriber equipment to MetCom to support MetCom's efforts in commercializing terrestrial positioning technology (both TerraPoiNT and Pinnacle) in Japan. Due to the technological dependencies, the Company's equity ownership and representation on MetCom's board of directors, the Company has significant influence, but not controlling interest, over MetCom. The Company's investment in MetCom is accounted for under the equity method. The basis difference in the Company's cost basis and the basis reflected at the investee entity level is allocated to equity method goodwill and is not amortized. The Company recognized a loss of \$ 37 thousand and \$71 thousand in the three months ended September 30, 2024 and September 30, 2023, respectively, that is recorded in other income (expenses). The Company recognized a loss of \$ 118 thousand and \$157 thousand in the nine months ended September 30, 2024 and September 30, 2023, respectively. The carrying value of the Company's investment in MetCom was \$586 thousand and \$705 thousand as of September 30, 2024 and December 31, 2023, respectively, and is classified in other long-term assets. The Company had \$13 thousand and \$107 thousand in accounts receivable from MetCom as of September 30, 2024 and December 31, 2023, respectively.

The Company holds a warrant (the "MetCom Warrant") issued by MetCom which entitles the Company to purchase additional shares at an exercise price of JPY10 per share, such that the Company may obtain an aggregate total of 33% of MetCom common stock on an "as-converted" basis. The MetCom Warrant is subject to certain vesting conditions which were not met as of September 30, 2024; therefore, the MetCom Warrant was not exercisable.

7. 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)				
September 30, 2024				
Cash and Cash Equivalents - Money Market Funds	\$ 283	\$ —	\$ —	\$ 283
Cash and Cash Equivalents - Available-for-sale debt securities with fair value option election	—	65,096	—	65,096
Short term investments - Available-for-sale debt securities with fair value option election	—	18,865	—	18,865
Private Placement Warrants	—	—	15,053	15,053
Asset purchase agreement liability	—	—	7,567	7,567
December 31, 2023				
Cash and Cash Equivalents - Money Market Funds	\$ 127	\$ —	\$ —	\$ 127
Cash and Cash Equivalents - Trading debt securities	—	79,425	—	79,425
Short term investments - Trading debt securities	—	3,954	—	3,954
Private Placement Warrants	\$ —	\$ —	\$ 7,053	\$ 7,053

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

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

Level 3 Liabilities

The Company engaged a third-party valuation firm to assist with the fair value analysis of the Private Placement Warrants (as defined below). 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 September 30, 2024 and December 31, 2023, NextNav used a Monte Carlo simulation model. The following table shows the assumptions used in each respective model:

	September 30, 2024 Values	December 31, 2023 Values
Stock Price	\$ 7.49	\$ 4.45
Strike price	\$ 11.50	\$ 11.50
Holding Period/Term (years)	2.07	2.82
Volatility	108.00%	66.90%
Expected dividends	None	None
Risk-Free Rate	3.65%	4.05%
Fair value of warrants	\$ 3.55	\$ 0.91

The following table shows the assumption used in valuing the First Noncash Consideration of asset purchase agreement liability to be settled in shares, equivalent to \$7.5 million:

	September 30, 2024 Values
20-day volume weighted average price	\$ 7.42
Stock price	\$ 7.49

The tables below provide 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 December 31, 2023	\$ 7,053
Fair value adjustment of Private Placement Warrants	19,523
Reclassification of warrant liability to common stock warrants	(11,523)
Balance as of September 30, 2024	\$ 15,053

Asset Purchase Agreement Liability:	(in thousands)
Balance as of December 31, 2023	\$ —
Initial recognition of asset purchase agreement liability	9,784
Fair value adjustment of asset purchase agreement liability	(2,217)
Balance as of September 30, 2024	\$ 7,567

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 (as defined below) 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 an aggregate principal amount of \$20.0 million in senior secured notes due 2026. 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 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 on July 6, 2023, the Company issued 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 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 SEC on June 23, 2023, which the SEC declared effective on June 29, 2023.

The carrying value of the Notes was \$53.0 million as of September 30, 2024 net of debt discount of \$17.0 million. Net amortization of the debt discount totaled \$1.6 million and \$4.5 million for the three and nine months ended September 30, 2024, respectively. Net amortization of the debt discount totaled \$1.3 million and \$1.8 million for the three and nine months ended September 30, 2023, respectively. The total estimated fair value of the Notes approximates the carrying value of the Notes as of September 30, 2024. 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.

Additional Interests

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 September 30, 2024, the Company was in compliance with all of the applicable debt covenants described above.

9. Warrants and Warrant Liability

As of September 30, 2024, NextNav had 31,352,520 warrants outstanding, which includes: (a) 14,509,798 public warrants associated with Spartacus Acquisition Corp.'s ("Spartacus") initial public offering (the "Public Warrants"), (b) 4,240,192 warrants issued to Spartacus in a private placement on the initial public offering closing date (the "Private Placement Warrants") and (c) 12,602,530 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 Condensed Consolidated Balance Sheet as of September 30, 2024. During the three and nine months ended September 30, 2024, 1,259,322 and 3,510,338 Private Placement Warrants were reclassified from liability to equity (Public Warrants), respectively. The terms included in the Private Warrants that initially precluded equity classification were no longer applicable. Accordingly, NextNav reclassified \$4.8 million and \$11.5 million from warrant liability to additional paid-in capital during the three and nine months ended September 30, 2024, respectively.

Holders of the Public Warrants, Private Placement Warrants and Debt Warrants are entitled to acquire shares of common stock of NextNav. With respect to the Public Warrants and Private Placement Warrants, each whole warrant entitles the registered holder to purchase one share at an exercise price of \$11.50 per share. The Public Warrants and Private Placement Warrants expire on October 28, 2026. With respect to the Debt Warrants, each warrant entitles the registered holder to purchase one share at an exercise price of \$2.16 per share. The Debt Warrants expire on June 1, 2027. During the three months ended September 30, 2024, 3,176,236 Debt Warrants were exercised for an aggregate of \$6.9 million in cash. During the nine months ended September 30, 2024, 12,915,166 Debt Warrants were exercised for an aggregate of \$27.9 million in cash. During the three and nine months ended September 30, 2023, no Debt Warrants were exercised.

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 current holder 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.

The Company had 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. Common Stock

As of September 30, 2024, NextNav had authorized the issuance of 600,000,000 shares of capital stock, par value, \$ 0.0001 per share, consisting of (a) 500,000,000 shares of common stock and (b) 100,000,000 shares of undesignated preferred stock. As of September 30, 2024, NextNav had 127,677,549 shares of common stock issued and 127,545,321 shares of common stock outstanding. The Company has no preferred stock issued or outstanding as of September 30, 2024 or December 31, 2023.

11. Commitments and Contingencies

Litigation and Legal Matters

From time to time, the Company is 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 September 30, 2024, the Company was not involved in any such matters, individually or in the aggregate, which management believes would have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

12. Income Taxes

The Company computes its year-to-date provision for income taxes by applying the estimated annual effective tax rate to year-to-date pretax income or loss and adjusts the provision for discrete tax items recorded in the period. A valuation allowance has been established against the Company's U.S. federal and state deferred tax assets, which results in an annualized effective tax rate for the Company's U.S. operations of 0.0%. During the three months ended September 30, 2023, a valuation allowance was established against the Company's French deferred tax asset. For the three months ended September 30, 2024, the Company recorded an income tax provision of \$ 26 thousand related to foreign tax activity in India on a pretax loss of \$13.6 million, resulting in an effective tax rate of (0.2%). For the three months ended September 30, 2023, the Company recorded an income tax provision of \$24 thousand related to foreign tax activity in India on a pretax loss of \$ 23.2 million, resulting in an effective tax rate of (0.1%). For the nine months ended September 30, 2024, the Company recorded an income tax provision of \$ 138 thousand related to foreign tax activity on a pretax loss of \$69.5 million, resulting in an effective tax rate of (0.2%). For the nine months ended September 30, 2023, the Company recorded an income tax provision of \$159 thousand related to foreign tax activity in India on a pretax loss of \$ 55.2 million, resulting in an effective tax rate of (0.3%). These effective tax rates differ from the U.S. federal statutory rate primarily due to the valuation allowance against the Company's domestic and French deferred tax assets.

13. Subsequent Events

The Company has completed an evaluation of all subsequent events through the date of this Quarterly Report on Form 10-Q 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 has concluded that no subsequent events have occurred that require disclosure.

Item 2. 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 the accompanying quarterly unaudited condensed consolidated financial statements and our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"). Our 2023 Form 10-K includes additional information about our significant accounting policies, practices, and the transactions that underlie our financial results, as well as a detailed discussion of the most significant risks and uncertainties associated with our financial condition and operating results. In addition to historical financial 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" at the beginning of this Quarterly Report on Form 10-Q, as well as Item 1A, "Risk Factors" in our 2023 Form 10-K, as well as those otherwise described or updated from time to time in our other filings with the SEC, for a discussion of important factors that could cause our actual results to differ materially from the results described 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 positioning, navigation and timing ("PNT") solutions designed to complement and back up existing Global Positioning System ("GPS") and Global Navigation Satellite Systems ("GNSS") by addressing the limitations and vulnerabilities inherent in space-based systems. 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 NextGen, the evolution of our technology platform to 5G NR, to significantly improve the efficiency and flexibility of our operations, technically enabling the delivery of high-quality PNT based on a 5G broadband deployment. Since the inception of NextNav, LLC in 2007, we have secured valuable Federal Communications Commission ("FCC") licenses for a contiguous 8 MHz band of Lower 900MHz spectrum covering over 90% of the U.S. population, subject to appropriate regulatory approvals have signed an agreement to acquire licenses for an additional 4MHz of Lower 900MHz spectrum, and standardized our TerraPoint technology in 3GPP, the global telecommunications standards-setting body. As of September 30, 2024, we held approximately 161 patents related to our systems and services.

On April 16, 2024, we petitioned the FCC to commence a rule making to update the Lower 900MHz band plan to allow us to utilize a 15MHz nationwide configuration for both PNT and 5G broadband (the "Petition"). We believe that modernizing the Lower 900MHz Band will simultaneously enable a high-performing terrestrial PNT network to complement and back up GPS, a critical national security imperative, and add 5G mobile broadband capacity, a substantial public interest benefit. As part of the ongoing FCC regulatory process, on August 6, 2024, the FCC issued a Public Notice seeking public comments concerning the Petition. Our NextGen technology is designed to allow one or more partners to integrate our Lower 900MHz spectrum into their 5G networks, while we implement, operate and manage additional PNT-optimized infrastructure over the 5G network.

We currently 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 smartphones. We launched our Pinnacle network in partnership with AT&T Services, Inc. ("AT&T") for FirstNet®, the nationwide, interoperable public safety broadband network, and our network covers over 90% of commercial structures over three stories in the U.S. In addition to public safety applications and 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. Our Pinnacle network is also an important component of our PNT resiliency services, and is being evaluated as a persistent PNT characterization platform.

Our TerraPoint system is a terrestrially-based network designed to address the limitations and vulnerabilities inherent in space-based PNT systems, and our NextGen technology, through the adoption of 5G NR, will simultaneously support both PNT and 5G broadband capabilities. Space-based PNT systems transmit a faint, unencrypted signal, which is often unavailable indoors, distorted in urban areas, and vulnerable to both jamming and spoofing. TerraPoint and its NextGen evolution overcome these limitations through the terrestrial transmission of a PNT signal on licensed Lower 900MHz spectrum. Unlike space-based signals, the TerraPoint and NextGen signals can be reliably received indoors and in urban areas, are difficult to jam or spoof, and can support robust authentication. TerraPoint and NextGen signals can embed Pinnacle information to provide a full 3D PNT solution, and can be configured to provide National Institute of Standards and Technology timing distribution services. Because our NextGen technology will be built on 5G NR, we expect significantly increased geographic coverage, more rapid network availability and expanded device availability for PNT services when combined with one or more 5G broadband partners' networks. We believe that these capabilities are an essential complement and backup in the event of GPS disruptions, and are a critical need 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 in the Lower 900MHz band 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 capability for simultaneous broadband data in our band, in addition to our 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 while making more efficient use of our Lower 900MHz spectrum licenses.

As of September 2024, TerraPoiNT is deployed and available, with metro-wide service in the San Francisco Bay Area and select services available in over 90 markets nationally. In addition, NextNav supports a system deployed by the National Aeronautics and Space Administration at its Langley Research Center in Hampton, VA for drone operations research and is contracted to provide service at its Ames facility in Mountain View, CA, leveraging our network in the Bay Area.

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, software license costs, including cloud hosting costs, and professional services related to the maintenance of the equipment at each leased site. Our operations costs may increase for the foreseeable future as we continue to invest in our NextGen, Pinnacle and TerraPoiNT technologies in domestic U.S. and international markets.

Research and Development

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

Selling, General and Administrative

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

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

Depreciation and Amortization

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

Interest Income (Expense)

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

Other Income (Expense)

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

Results of Operations

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024		2023	
	(in thousands)		(in thousands)	
Revenue	\$ 1,607	\$ 1,027	\$ 3,758	\$ 2,657
Operating expense:				
Cost of goods sold ⁽¹⁾	2,585	3,232	8,270	9,397
Research and development ⁽¹⁾	3,545	5,007	12,325	14,579
Selling, general and administrative ⁽¹⁾	8,016	6,152	24,570	18,722
Depreciation and amortization	1,313	1,256	3,926	3,559
Total operating expenses	15,459	15,647	49,091	46,257
Operating loss	(13,852)	(14,620)	(45,333)	(43,600)
Interest expense, net	(2,217)	(1,740)	(6,706)	(1,614)
Other income (expense)	2,486	(6,836)	(17,432)	(9,966)
Loss before income taxes	(13,583)	(23,196)	(69,471)	(55,180)
Provision for income taxes	26	24	138	159
Net loss	\$ (13,609)	\$ (23,220)	\$ (69,609)	\$ (55,339)

(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 Condensed Consolidated Statements of Comprehensive Loss, but include stock-based compensation as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Cost of goods sold	\$ 90	\$ 561	\$ 273	\$ 1,705
Research and development	1,032	1,843	3,672	5,201
Selling, general and administrative	2,144	2,003	7,217	5,737
Total stock-based compensation expense	\$ 3,266	\$ 4,407	\$ 11,162	\$ 12,643

Comparison of the Three Months Ended September 30, 2024 and 2023

Revenue

	Three Months Ended September 30,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Revenue	\$ 1,607	\$ 1,027	\$ 580	56.5%

Revenue increased by \$0.6 million, or 56.5%, to \$1.6 million for the three months ended September 30, 2024 from \$1.0 million for the three months ended September 30, 2023. The increase was driven by an increase in service revenue from technology and services contracts with government and commercial customers. For the three months ended September 30, 2024, one customer accounted for 54% of total revenue and another customer accounted for 32% of total revenue. For the three months ended September 30, 2023, one customer accounted for 69% of total revenue and another customer accounted for 15% of total revenue.

Operating Expense

Cost of Goods Sold (COGS)

	Three Months Ended September 30,		\$ Change	% Change
	2024	2023		
	(in thousands)			
COGS	\$ 2,585	\$ 3,232	\$ (647)	(20.0)%

COGS decreased by \$0.6 million, or 20.0%, to \$2.6 million for the three months ended September 30, 2024 from \$3.2 million for the three months ended September 30, 2023. The decrease was primarily driven by a \$0.5 million decrease in stock-based compensation, a \$0.1 million decrease in outside consulting expenses, a \$0.1 million decrease in software license expenses, and a \$0.1 million decrease in cost related to sale of equipment. The decreases were partially offset by a \$0.2 million increase in payroll-related expenses.

Research and Development

	Three Months Ended September 30,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Research and development	\$ 3,545	\$ 5,007	\$ (1,462)	(29.2)%

Research and development expenses decreased by \$1.5 million, or 29.2%, to \$3.5 million for the three months ended September 30, 2024 from \$5.0 million for the three months ended September 30, 2023. The decrease was primarily driven by a \$0.8 million decrease in stock-based compensation, a \$0.4 million decrease in software license expenses, a \$0.2 million decrease in outside consulting expenses, and a \$0.2 million decrease in other operational expenses. The decreases were partially offset by a \$0.1 million increase in payroll-related expenses.

Selling, General and Administrative

	Three Months Ended September 30,				\$ Change	% Change		
	2024		2023					
	(in thousands)							
Selling, general and administrative	\$ 8,016	\$ 6,152	\$ 1,864			30.3%		

Selling, general and administrative expenses increased by \$1.9 million, or 30.3%, to \$8.0 million for the three months ended September 30, 2024 from \$6.2 million for the three months ended September 30, 2023. The increase was primarily driven by a \$1.1 million increase in professional services, a \$0.4 million increase in payroll-related expenses driven by headcount cost, a \$0.3 million increase in marketing and recruiting cost, a \$0.2 million increase in outside consulting expenses, and a \$0.1 million increase in stock-based compensation. The increases were partially offset by a \$0.2 million decrease in directors' and officers' insurance.

Depreciation and Amortization

	Three Months Ended September 30,				\$ Change	% Change		
	2024		2023					
	(in thousands)							
Depreciation and amortization	\$ 1,313	\$ 1,256	\$ 57			4.5%		

Depreciation and amortization expenses increased by \$0.1 million, or 5%, to \$1.3 million for the three months ended September 30, 2024 from \$1.3 million for the three months ended September 30, 2023. The increase in depreciation and amortization expense is primarily attributable to placing the TerraPoiNT network assets in service since the third quarter of 2023.

Interest Expense, Net

	Three Months Ended September 30,				\$ Change	% Change		
	2024		2023					
	(in thousands)							
Interest expense, net	\$ (2,217)	\$ (1,740)	\$ (477)			27.4%		

Interest expense, net of interest income, increased by \$0.5 million, or 27%, to \$2.2 million for the three months ended September 30, 2024 from \$1.7 million for the three months ended September 30, 2023. The increase in interest expense was due to interest and amortization of debt discounts on our senior secured notes issued during the second and third quarters of 2023 and lower interest income earned from our cash and cash equivalents balance and on marketable securities.

Other Income (Expense)

	Three Months Ended September 30,				\$ Change	% Change		
	2024		2023					
	(in thousands)							
Other income (expense)	\$ 2,486	\$ (6,836)	\$ 9,322			(136.4)%		

Other income was \$2.5 million for the three months ended September 30, 2024 compared with other expense of \$6.8 million for the three months ended September 30, 2023. The change was primarily driven by the changes in the fair value of warrants and asset purchase agreement liability.

Comparison of the Nine Months Ended September 30, 2024 and 2023

Revenue

	Nine Months Ended September 30,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Revenue	\$ 3,758	\$ 2,657	\$ 1,101	41.4%

Revenue increased by \$1.1 million, or 41.4%, to \$3.8 million for the nine months ended September 30, 2024 from \$2.7 million for the nine months ended September 30, 2023. The increase was driven by an increase in service revenue from technology and services contracts with government and commercial customers. For the nine months ended September 30, 2024, one customer accounted for 65% of total revenue, while another customer represented 14%, and a third customer contributed 12% of total revenue. For the nine months ended September 30, 2023, one customer accounted for 80% of total revenue.

Operating Expense

Cost of Goods Sold (COGS)

	Nine Months Ended September 30,		\$ Change	% Change
	2024	2023		
	(in thousands)			
COGS	\$ 8,270	\$ 9,397	\$ (1,127)	(12.0)%

COGS decreased by \$1.1 million, or 12%, to \$8.3 million for the nine months ended September 30, 2024 from \$9.4 million for the nine months ended September 30, 2023. The decrease was primarily driven by a \$1.4 million decrease in stock-based compensation, a \$0.2 million decrease in outside consulting expenses, and a \$0.2 million decrease in other operational expenses. The decreases were partially offset by a \$0.6 million increase in payroll-related expenses, and a \$0.1 million increase in non-recurring engineering services.

Research and Development

	Nine Months Ended September 30,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Research and development	\$ 12,325	\$ 14,579	\$ (2,254)	(15.5)%

Research and development expenses decreased by \$2.3 million, or 15.5%, to \$12.3 million for the nine months ended September 30, 2024 from \$14.6 million for the nine months ended September 30, 2023. The decrease was primarily driven by a \$1.5 million decrease in stock-based compensation, a \$0.5 million decrease in software license expenses, a \$0.3 million decrease in outside consulting expenses, a \$0.2 million decrease in other operational expenses, and a \$0.1 million decrease in professional services. The decreases were partially offset by a \$0.3 million increase in payroll-related expenses.

Selling, General and Administrative

	Nine Months Ended September 30,			\$ Change	% Change
	2024	2023			
	(in thousands)				
Selling, general and administrative	\$ 24,570	\$ 18,722	\$ 5,848		31.2%

Selling, general and administrative expenses increased by \$5.8 million, or 31.2%, to \$24.6 million for the nine months ended September 30, 2024 from \$18.7 million for the nine months ended September 30, 2023. The increase was primarily driven by a \$2.2 million increase in payroll-related expenses driven by headcount costs, executive and employment separation costs, a \$2.0 million increase in professional services, a \$1.4 million increase in stock-based compensation, a \$0.4 million increase in outside consulting expenses, a \$0.3 million increase in marketing and recruiting cost, and a \$0.2 million increase in other operational expenses. The increases were partially offset by a \$0.7 million decrease in directors' and officers' insurance.

Depreciation and Amortization

	Nine Months Ended September 30,			\$ Change	% Change
	2024	2023			
	(in thousands)				
Depreciation and amortization	\$ 3,926	\$ 3,559	\$ 367		10.3%

Depreciation and amortization expenses increased by \$0.4 million, or 10%, to \$3.9 million for the nine months ended September 30, 2024 from \$3.6 million for the nine months ended September 30, 2023. The increase in depreciation and amortization expense is primarily attributable to placing TerraPoiNT network assets in service since the third quarter of 2023.

Interest Expense, Net

	Nine Months Ended September 30,			\$ Change	% Change
	2024	2023			
	(in thousands)				
Interest expense, net	\$ (6,706)	\$ (1,614)	\$ (5,092)		315.5%

Interest expense, net of interest income, for the nine months ended September 30, 2024 was \$6.7 million. Interest income, net of interest expense, for the nine months ended September 30, 2023 was \$1.6 million. The increase in interest expense was due to interest and amortization of debt discounts on our senior secured notes issued during the second and third quarters of 2023.

Other Expense

	Nine Months Ended September 30,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Other expense	\$ (17,432)	\$ (9,966)	\$ (7,466)	74.9%

Other expense was \$17.4 million for the nine months ended September 30, 2024 compared with other expense of \$10.0 million for the nine months ended September 30, 2023. The change was primarily driven by the changes in the fair value of warrants and asset purchase agreement liability.

Liquidity and Capital Resources

We have incurred 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 the nine months ended September 30, 2024 and 2023, we incurred net losses of \$ 69.6 million and \$55.3 million, respectively. During the nine months ended September 30, 2024, our net cash used in operating activities and investing activities was \$26.1 million and \$17.7 million, respectively. During the nine months ended September 30, 2023, our net cash used in operating activities and investing activities was \$24.6 million and \$1.5 million, respectively. As of September 30, 2024, we had cash and cash equivalents and marketable securities of \$86.8 million and an accumulated deficit of \$ 829.8 million. We expect to incur additional losses and higher operating expenses for the foreseeable future. Our primary use of cash is 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 September 30, 2024 will be sufficient to meet our working capital and capital expenditure needs, including all contractual commitments, beyond the next 12 months from the filing of this Quarterly Report on Form 10-Q. 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 condensed consolidated financial statements for the three and nine months ended September 30, 2024 included elsewhere in this Quarterly Report on Form 10-Q.

Cash Flows

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

	Nine Months Ended September 30,		\$ (in thousands)	2023
	2024	2023		
	(in thousands)			
Net cash used in operating activities	\$ (26,060)	\$ (24,607)		
Net cash used in investing activities	(17,662)	(1,494)		
Net cash provided by financing activities	29,736	69,005		

Cash Flows from Operating Activities

Our cash flows used in operating activities are significantly affected by the growth of our business and are 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 the nine months ended September 30, 2024 was \$26.1 million, resulting primarily from a net loss of \$69.6 million adjusted for non-cash charges of \$11.2 million for stock-based compensation, non-cash expense of \$19.5 million for change in the fair value of warrant liability, \$3.9 million for depreciation and amortization, and \$ 4.5 million for amortization of debt discount. These changes were partially offset by a net increase in operating liabilities of \$7.0 million, non-cash income of \$2.2 million for change in fair value of asset purchase agreement liability and \$0.5 million realized and unrealized gain on marketable securities.

Net cash used in operating activities during the nine months ended September 30, 2023 was \$24.6 million, resulting primarily from a net loss of \$55.3 million adjusted for non-cash charges of \$12.6 million for stock-based compensation, non-cash expense of \$9.8 million for change in the fair value of warrant liability, \$3.6 million for depreciation and amortization, \$1.8 million for amortization of debt discount, \$ 0.5 million realized and unrealized gain on marketable securities, and \$0.2 million for equity method investment loss. Additionally, there was a net decrease in operating assets of \$ 3.3 million.

Cash Flows from Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2024 was \$17.7 million, representing net purchase of marketable securities of \$14.4 million, and cash used for asset purchase agreement of \$ 2.7 million and cash used for property and equipment, including internal use software of \$0.6 million.

Net cash used in investing activities during the nine months ended September 30, 2023 was \$1.5 million, representing proceeds from the sale and maturity of marketable securities, partially offset by cash used for 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 the nine months ended September 30, 2024 was \$29.7 million, primarily reflecting cash proceeds from exercise of warrants and stock options.

Net cash provided by financing activities during the nine months ended September 30, 2023 was \$69.0 million, primarily reflecting cash proceeds from senior secured loans and partially offset by debt issuance cost.

Critical Accounting Policies and Significant Management Estimates

For a discussion of our critical accounting policies and estimates, please refer to Item 7 under Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2023 Form 10-K and Note 2 to our condensed consolidated financial statements for the three months ended September 30, 2024 included elsewhere in this Quarterly Report on Form 10-Q.

Recently Issued and Adopted Accounting Standards

For information regarding new accounting pronouncements, and the impact of these pronouncements on our condensed consolidated financial statements, refer to Note 2 to our condensed consolidated financial statements for the nine months ended September 30, 2024 included elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risks from those disclosed in Part II, Item 7A of the 2023 Form 10-K.

Item 4. 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 our 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 September 30, 2024. Based on this evaluation, our Chief Executive Officer and our 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 September 30, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. 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 1A. Risk Factors

You should carefully consider all of the information included in this Quarterly Report on Form 10-Q before you decide whether to invest in our securities. Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors described in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with SEC on March 13, 2024, as well as those otherwise described or updated from time to time in our other filings with the SEC. 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**(a) Unregistered Sales of Equity Securities**

None.

(b) Use of Proceeds from Sale of Registered Equity Securities

None.

(c) Purchases of Equity Securities by the Issuer

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information*Trading Plans*

On August 14, 2024, Robert Lantz, Senior Vice President, General Counsel and Secretary, adopted a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "10b5-1 trading plan") under the Exchange Act of 1934, as amended (the "Exchange Act"). This 10b5-1 trading plan provides for the potential sale of up to 56,641 shares. Pursuant to its terms, this 10b5-1 trading plan is expected to remain in place until the earlier of (i) March 31, 2025 and (ii) the date on which all transactions under such plan are completed.

On August 29, 2024, Mariam Sorond, President, Chief Executive Officer and a Director, adopted a 10b5-1 trading plan. This 10b5-1 trading plan provides for the potential sale of 45% of the gross shares of common stock to be issued to Ms. Sorond upon the vesting and settlement of her restricted stock units ("RSUs") with vesting dates of November 29, 2024, February 28, 2025, May 29, 2025, and August 29, 2025. The aggregate number of shares of common stock that will be available for sale under this 10b5-1 plan after vesting and settlement of her RSUs is 440,075 shares. Pursuant to its terms, this 10b5-1 trading plan is expected to remain in place until the earlier of (i) September 30, 2025 and (ii) the date on which all transactions under such plan are completed.

On August 30, 2024, Christian Gates, Executive Vice President and Chief Financial Officer, adopted a 10b5-1 trading plan. This 10b5-1 trading plan provides for the potential sale of 45% of the gross shares of common stock to be issued to Mr. Gates upon the vesting and settlement of his RSUs with vesting dates of December 15, 2024, January 27, 2025, March 15, 2025, April 27, 2025, June 15, 2025, July 27, 2025, and September 15, 2025. The aggregate number of shares of common stock that will be available for sale under this 10b5-1 plan after vesting and settlement of his RSUs is 34,136 shares. Pursuant to its terms, this 10b5-1 trading plan is expected to remain in place until the earlier of (i) September 30, 2025 and (ii) the date on which all transactions under such plan are completed.

On August 30, 2024, Sammaad Shams, Chief Accounting Officer, adopted a Rule 10b5-1trading plan. This 10b5-1 trading plan provides for the potential sale of 40% of the gross shares of common stock to be issued to Mr. Shams upon the vesting and settlement of his RSUs with vesting dates of December 15, 2024, December 18, 2024, January 22, 2025, March 15, 2025, March 18, 2025, June 15, 2025, June 18, 2025, July 22, 2025, September 15, 2025 and September 18, 2025. The aggregate number of shares of common stock that will be available for sale under this 10b5-1 plan after vesting and settlement of his RSUs is 9,082 shares. Pursuant to its terms, this 10b5-1 trading plan is expected to remain in place until the earlier of (i) September 25, 2025 and (ii) the date on which all transactions under such plan are completed.

No other officers (as defined in Rule 16a-1(f) of the Exchange Act) or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408 of Regulation S-K) during the fiscal quarter ended September 30, 2024.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report.

Exhibit Number	Description
3.1*	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).
3.2*	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).
31.1	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.
31.2	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.
32.1**	Certification of the Chief Executive Officer & Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
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).

* Filed previously.

** This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

SIGNATURES

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

NEXTNAV INC.

Date: November 13, 2024

By: /s/ Christian D. Gates

Name: Christian D. Gates

Title: Executive Vice President, Chief Financial Officer and Principal Financial Officer

Date: November 13, 2024

By: /s/ Sammaad R. Shams

Name: Sammaad R. Shams

Title: Chief Accounting Officer and Principal Accounting Officer

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

I, Mariam Sorond, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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(s) 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(s) 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.

/s/ Mariam Sorond

Name: Mariam Sorond
Title: President and Chief Executive Officer (*Principal Executive Officer*)

Date: November 13, 2024

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

I, Christian D. Gates, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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(s) 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(s) 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.

/s/ Christian D. Gates

Name: Christian D. Gates

Title: Chief Financial Officer (*Principal Financial Officer*)

Date: November 13, 2024

**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 Quarterly Report on Form 10-Q of NextNav Inc. (the "Company") for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned each hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge, on the date hereof:

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

Dated: November 13, 2024

/s/ Mariam Sorond

Name: Mariam Sorond
Title: President and Chief Executive Officer
(*Principal Executive Officer*)

Dated: November 13, 2024

/s/ Christian D. Gates

Name: Christian D. Gates
Title: Chief Financial Officer
(*Principal Financial Officer*)